



PRESS RELEASE

For immediate release

RHJ INTERNATIONAL REPORTS CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2005

Brussels, December 30, 2005 – RHJ International (the“Company”) today published its Condensed Consolidated Financial Statements for the six months ended September 30, 2005 in accordance with Belgian law. In conjunction with such publication, the Company is issuing this press release to provide access to such information to all investors.

The Company has ownership interests in seven businesses which were contributed to it on March 31, 2005, in connection with a private placement and a global offering of its ordinary shares on Euronext Brussels in March 2005. For comparison purposes to its Condensed Consolidated Income Statement ended September 30, 2005 presented below, the Company has used the Unaudited Pro Forma Consolidated Income Statement for the six months ended September 30, 2004, presented in connection with the listing of its ordinary shares. Because the consolidated results of operations are primarily an aggregation of the results of operations of its six consolidated businesses, the Company is also presenting Condensed Income Statements for those businesses on an individual basis.

1. Condensed Consolidated Financial Statements for the six months ended September 30, 2005 (unaudited)

The Company’s Condensed Consolidated Financial Statements for the six months ended September 30, 2005 have been prepared in accordance with IAS 34 on Interim Financial Reporting and comply with International Financial Reporting Standards (IFRS). Beginning April 1, 2005, the Company adopted IFRS 2 (Share-based Payment) and IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). In accordance with IFRS 3 (Business Combinations), the Company has provisionally allocated goodwill arising from the contribution on March 31, 2005 of the businesses to the fair value of the assets acquired and the liabilities assumed. The allocation of goodwill will be presented in its final form in the Company’s Consolidated Financial Statements for the year ending March 31, 2006.

The reporting currency is the Japanese Yen. The Company's Condensed Consolidated Financial Statements for the six months ended September 30, 2005 have been translated for convenience into Euro using the exchange rate prevailing at September 30, 2005 (Euro/JPY = 136.1, except for the Balance Sheet as at March 31, 2005, which has been converted at Euro/JPY = 138.352).

The ownership interests in the Company's seven businesses were contributed to it on March 31, 2005 at fair value. At September 30, 2005, the Company provisionally allocated the goodwill arising from the contribution among the fair value of assets acquired and liabilities assumed. The purchase price allocation has been undertaken for all contributed businesses. It is based on an independent appraiser's opinion on the fair values of tangible and identifiable intangible assets, and liabilities at March 31, 2005. Acquired inventories of finished goods and work-in-process have been fair-valued at their net realizable value less disposal costs. The Company's Consolidated Balance Sheet at March 31, 2005 has been restated to reflect the effects of the provisional purchase price allocation. These effects are reflected solely in the Company's Consolidated Financial Statements and, in accordance with IFRS, will not be recorded in the financial statements of the individual companies, and accordingly are not reflected in their Condensed Income Statements presented in section 2.

RHJI – Condensed Consolidated Balance Sheets (unaudited) as of						
	Sept. 30, 2005	March 31, 2005 (a)	March 31, 2005 (b)	Sept. 30, 2005	March 31, 2005 (a)	March 31, 2005
	in JPY million			in €million		
Non-current assets	275,796	287,982	249,507	2,026	2,082	1,803
Current assets	221,065	223,283	219,079	1,624	1,614	1,583
Total assets	496,861	511,265	468,586	3,650	3,696	3,386
Equity	188,333	190,078	190,078	1,384	1,374	1,374
Minority interest	38,740	39,572	22,086	284	286	159
Non-current liabilities	160,788	167,481	142,288	1,181	1,211	1,028
Current liabilities	109,000	114,134	114,134	801	825	825
Total equity and liabilities	496,861	511,265	468,586	3,650	3,696	3,386

(a) Restated to reflect the provisional purchase price allocation.

(b) As published in the Company's Annual Report for the Fiscal Year ended March 31, 2005.

RHJI – Provisional Purchase Price Allocation as at March 31, 2005			
<i>(in JPY million)</i>	Carrying Value (a)	Fair Value (b)	Difference
Inventories	33,331	37,535	4,204
Property, plant and equipment	99,794	142,999	43,205
Intangible assets other than goodwill	6,078	79,449	73,371
Goodwill	117,079	37,705	(79,374)
Net deferred tax asset (liability)	3,547	(19,340)	(22,887)
Minority Interest	(22,086)	(39,572)	(17,486)
Employee benefits	(28,148)	(29,181)	(1,033)
Total	209,595	209,595	-

(a) As published in the Company's Annual Report for the Fiscal Year ended March 31, 2005.

(b) Based upon the valuation report of the independent appraiser.

RHJI – Condensed Consolidated Income Statements (unaudited) For the Six Months Ended September 30,				
	2005	2004 (a) (b)	2005	2004 (a) (b)
	in JPY million		in €million	
Net sales	165,926	172,799	1,219	1,270
Cost of sales	(136,586)	(138,885)	(1,004)	(1,020)
Gross profit	29,340	33,914	215	250
Selling, general and administrative	(34,081)	(34,112)	(250)	(251)
Amortization of identifiable intangible assets	(2,774)	-	(20)	-
Other operating income	7,454	1,531	55	11
Profit (loss) from operations	(61)	1,333	-	10
Income from associates	80	78	1	1
Net financing cost	(1,877)	(2,324)	(14)	(17)
Loss before tax	(1,858)	(913)	(14)	(7)
Income tax	(712)	(1,475)	(5)	(11)
Loss after tax, before discontinued operations	(2,570)	(2,388)	(19)	(18)
Discontinued operations, net of tax	(2,128)	-	(16)	-
Minority interest	2,274	(177)	17	(1)
Net loss	(2,424)	(2,565)	(18)	(19)
EPS (in JPY and €)	(31.14)		(0.23)	

(a) Unaudited Pro Forma Consolidated Income Statement presented in the listing prospectus dated March 23, 2005, including Honsel International Technologies' ("HIT") results of operations for the six months ended June 30, 2004.

(b) Not restated to reflect the presentation of discontinued operations.

The consolidated results of operations for the six months ended September 30, 2005 included the impact of (a) the provisional allocation of goodwill arising from the contribution of seven businesses (six of which are consolidated) to the Company on March 31, 2005 and (b) the adoption of IFRS 2, effective April 1, 2005.

The provisional allocation of goodwill resulted in (a) an inventory step-up of JPY 4.2 billion at March 31, 2005, all of which has been released to the income statement (increasing cost of sales) during the six months ended September 30, 2005 and (b) step-up to fair values of tangible and intangible assets totaling JPY 116.6 billion, which resulted in a total charge for depreciation and amortization amounting to JPY 11.4 billion (including amortization of identifiable intangibles of JPY 2,774 million) in the six months ended September 30, 2005 (JPY 2.6 billion higher than depreciation and amortization included in the prior period pro forma income statement).

Starting April 1, 2005, the Company adopted IFRS 2. Certain consolidated businesses have stock option plans for directors and employees. In addition, a significant shareholder of the Company had granted shares to certain members of the Company's management and other employees. In accordance with IFRS 2, the fair values at April 1, 2005 of the stock options and the shares granted as consideration for future services have been determined and amortized over the period in which they will be earned. For the six months ended September 30, 2005, the expense relating to shared-based payment transactions amounted to JPY 473 million, and was recorded as part of selling, general and administrative expenses.

The Company has adopted IFRS 5 and has presented the results of the Rio business of D&M Holdings Inc. (D&M) and the Norcast subsidiary of HIT for the six months ended September 30, 2005, as discontinued operations. Net sales reclassified to discontinued operations amounted to JPY 5.3 billion for the six months ended September 30, 2005.

Net sales - Excluding the reclassification of certain sales to discontinued operations, net sales for the six months ended September 30, 2005 were flat with the same period last year. Higher sales were reported for Asahi Tec, D&M (excluding Rio) and Phoenix Seagaia Resort.

Gross profit - Consolidated gross profit for the period included the effect of higher cost of sales as a result of fair-valuing inventory at March 31, 2005; excluding this impact, gross margin was 20.2%. Gross margins improved at Asahi Tec, Niles and D&M (excluding Rio).

Other operating income - Consolidated other operating income of JPY 7.5 billion included (a) a gain from the sale of D&M's current headquarters property in Tokyo (JPY 6.2 billion) and (b) the Company's share (JPY 1.1 billion) of the termination fee, net of expenses, related to the termination of the acquisition agreement relating to Maytag Corporation, partially offset by (c) loss (JPY 972 million) on the sale of Columbia Music Entertainment's (CME) CD/DVD Pressing business in Japan.

Net financing cost - Consolidated net financing cost included interest expense of JPY 3.5 billion, partially offset by (a) interest income of JPY 720 million and (b) net unrealized foreign exchange gains.

Further comments on the results of operations for the consolidated businesses are presented in section 2.

RHJI - Condensed Consolidated Statement of Cash Flow (unaudited)		
For the Six Months Ended September 30, 2005		
	in JPY million	in €million
Cash flow from operating activities	(2,771)	(20)
Cash flow from investing activities	7,558	56
Cash flow from financing activities	(7,365)	(54)
Net decrease in cash and cash equivalents	(2,578)	(18)
Cash and cash equivalents at March 31, 2005	118,449	870
Effect of exchange rate fluctuations on cash held	930	7
Cash and cash equivalents at September 30, 2005	116,801	859

Consolidated cash flow from investing activities for the six months ended September 30, 2005 included the effects of (a) proceeds from the sale of real estate at D&M (JPY 11 billion) and CME (JPY 5.9 billion), (b) proceeds from the sale of Norcast (JPY 7.3 billion), (c) D&M's acquisition of Boston Acoustics (JPY 8.3 billion) and (d) capital expenditures (JPY 10.1 billion).

Consolidated cash flow from financing activities reflected the net reduction of debt outstanding during the six months ended September 30, 2005. Consolidated total indebtedness outstanding at September 30, 2005, was JPY 124.2 billion compared to JPY 132.1 billion at March 31, 2005. Debt outstanding was significantly reduced at CME with proceeds from the sale of real estate assets.

2. Commentary on the Company's consolidated businesses for the six months ended September 30, 2005 and 2004

Because the consolidated results of operations are primarily an aggregation of the results of operations of its six consolidated businesses, the Company is presenting below the Condensed Income Statements for these businesses on an individual basis. Results of the Shaklee Global Group Inc. are not consolidated but accounted for under the equity method; therefore, no separate financial information is presented.

The results of operations of the businesses for the six months ended September 30, 2005, were prepared in accordance with IFRS. For the five consolidated businesses headquartered in Japan, the comparative results of operations for the six months ended September 30, 2004 have been prepared based on an assumed IFRS conversion date of April 1, 2003 and were presented in connection with the Company's listing of its ordinary shares on Euronext Brussels. For HIT, no comparative information is available as the company was under a different ownership structure for the six month period ended September 30, 2004.

Asahi Tec

Asahi Tec - Condensed Income Statements (unaudited)		
For the Six Months Ended September 30		
<i>(In JPY million)</i>	2005	2004
Net sales	26,441	23,929
Gross profit	4,321	2,264
Gross margin in %	16.3%	9.5%
Selling, general and administrative	(3,361)	(3,218)
Profit/(Loss) from operations	1,128	(667)
Net profit/(loss)	628	(569)

Results of Operations

Net sales for the six months ended September 30, 2005, were 10.5% above the same period last year and reflected continued strong demand generated from changes in environmental regulations for trucks in Japan, and the strength of the automotive industry in Thailand. Increased sales were experienced across all product categories. Management's plan (a) to terminate the manufacturing of aluminum wheels using the ATREX technology in Japan was accomplished by the end of September, and (b) to

transfer production to Thailand using another existing technology is expected to be completed by the end of the fiscal year.

Gross margin improvement included the effect of a reversal of JPY 561 million (mainly related to aluminum wheels manufacturing) following review of the Reserve for Loss Contracts. Excluding this impact, gross margin improvement from 9.5% for the six months ended September 30, 2004 to 14.2% can be attributed to higher volumes (ductile iron and aluminum casting) and reduced losses for aluminum wheels. Selling, general and administrative expenses were 4.4% higher than the same period last year, but as a percentage of sales, were lower. Net financing costs were favorably impacted by JPY 505 million of gains from the sale of investment securities during the six months ended September 30, 2004.

EBITDA for the six months ended September 30, 2005 amounted to JPY 1.7 billion (excluding the effect of a reversal relating to the Reserve for Loss Contracts), as compared to JPY 1.1 billion for the six months ended September 30, 2004. Net financial debt (indebtedness outstanding, net of cash) at September 30, 2005 amounted to JPY 12.9 billion compared to JPY 12.5 billion at September 30, 2004.

Liquidity and Capital Resources

At September 30, 2005, Asahi Tec had JPY 16 billion in indebtedness outstanding on a consolidated basis, including JPY 1.9 billion classified as short-term (current portion of long term debt amounted to JPY 749 million). At September 30, 2004, total indebtedness outstanding was JPY 16.7 billion, including JPY 1.4 billion classified as short-term. At September 30, 2005, the effective interest rate on the outstanding loans was 4.1%.

HIT

Overview

HIT changed its fiscal year-end to March 31, effective March 31, 2005. The Condensed Income Statement for the six months ended September 30, 2005 is presented below, with no comparative information available for the same six months of the prior year as HIT was under a different ownership structure for the six month period ended September 30, 2004. Comparative gross margin % and selling, general and administrative % used below were taken from results for the twelve months ended December 31, 2004, previously published in the Company's Annual Report for the fiscal year ended March 31, 2005.

HIT - Condensed Income Statements (unaudited)	
For the Six Months Ended September 30	
<i>(In JPY million)</i>	2005
Net sales	58,303
Gross profit	5,115
Gross margin in %	8.8%
Selling, general and administrative	(4,099)
Amortization of identifiable intangible assets	(2,115)
Loss from operations	(650)
Loss after tax, before discontinued operations	(2,616)
Discontinued operations, net of tax	1,292
Net loss	(1,402)

Results of Operations

Net sales of JPY 58.3 billion were below management's expectations and reflected weakness in demand for passenger cars in Europe and trucks / SUVs in North America, partially offset by the effects of new contracts, primarily in Europe. Europe net sales amounted to JPY 46.7 billion, with significantly reduced volumes during the first fiscal quarter from a major customer which announced restructuring and management changes. Net sales for the Americas were JPY 11.6 billion.

Ownership of Norcast, a non-core Canadian business in the mining industry, was divested in June, 2005; results relating to Norcast, including net sales of JPY 1.1 billion, profit from operations of JPY 120 million, and a pretax gain of JPY 1.2 billion on the sale, have been reclassified to discontinued operations.

Excluding the results of Norcast in both periods, gross margin of 8.8% for the six months ended September 30, 2005, was comparable to the 8.7% for the twelve months ended December 31, 2004. Gross margins during this period have been adversely affected by the impact of (a) volume declines and (b) operational issues, including high scrap rates and equipment efficiency at two of its operating facilities.

Selling, general and administrative expenses were 7% of net sales (excluding Norcast) for the six months ended September 30, 2005, which compared with 5.8% for the twelve months ended December 31, 2004 (excluding the impact of impairment charges relating to goodwill). Expenses for the six months ended September 30, 2005 included (a) JPY 102 million charge from the initial implementation of IFRS 2, (b) JPY 114 million provision for early retirement and severance costs and (3) JPY 122 million for costs related to the renegotiation of credit facility terms. Included in operating results for the

six months ended September 30, 2005 was JPY 2.1 billion in amortization of identifiable intangibles, which resulted from the recently completed allocation of goodwill arising from the acquisition of HIT.

Due to the impact of lower volumes and operational issues mentioned above, HIT was in breach of the financial covenants of its Senior and Mezzanine Credit Agreements at June 30, 2005. Negotiations to resolve such defaults were successfully completed in November, 2005 and the revised terms are described below as subsequent events.

EBITDA for the six months ended September 30, 2005 amounted to JPY 5 billion. Net financial debt at September 30, 2005 was JPY 55.8 billion.

Subsequent Events

In November, 2005, certain terms of the Senior and Mezzanine Credit Agreements were amended to resolve covenant defaults. Amendments included (a) replacing the original covenant tests with new minimum EBITDA covenants for the quarters ending December 31, 2005 and March 31, 2006, (b) revising the original covenant thresholds for periods through to December 31, 2007 (after which time the original covenant thresholds will be in effect), (c) margin increase of 0.25% for the senior facilities and 0.25% and 0.50% on the cash and payable in kind elements of the mezzanine facility, respectively, and (d) an up-front fee of 30 basis points on all outstanding balances.

Liquidity and Capital Resources

As of September 30, 2005, HIT had JPY 61.6 billion of indebtedness outstanding on a consolidated basis, including JPY 9 billion classified as short-term (current portion of long term debt amounted to JPY 574 million).

HIT maintains a senior facility of JPY 50 billion, comprised of term loan tranches and revolving credit, and a mezzanine facility of JPY 15.6 billion. Interest rates for these facilities are LIBOR or EURIBOR plus applicable margins (a) ranging from 1.50% to 3.50% for the senior facility and (b) of 5.5% payable in cash and 5.5% payable in kind for the mezzanine facility. The effective interest rate under these facilities at September 30, 2005 was 6.9%.

Niles

Niles - Condensed Income Statements (unaudited)		
For the Six Months Ended September 30		
<i>(In JPY million)</i>	2005	2004
Net sales	26,287	27,590
Gross profit	4,011	4,123
Gross margin in %	15.3%	14.9%
Selling, general and administrative	(4,201)	(3,090)
Profit/(Loss) from operations	(73)	1,345
Net profit	73	949

Results of Operations

Net sales for the six months ended September 30, 2005 were 4.7% below the same period last year and reflected lower volumes and the continued impact of pricing pressures from major customers. Sales in Japan of JPY 17.4 billion were 7.4% lower with sales to Nissan down 10.6%. Sales in North America were 7.7% lower, principally due to weak demand from General Motors. Aside from Niles' two largest customers, activity continued to grow with orders for future models from new customers Daihatsu and Mazda and for additional models from Honda and Suzuki.

Loss from operations of JPY 73 million was JPY 1.4 billion lower than for the same period last year. Improvement in the gross margin was offset by (a) lower volumes, (b) higher selling, general and administrative expenses and (c) bad debt allowances totaling JPY 418 million relating to the bankruptcy of a customer in the United States. Despite the impact of reduced volumes and pricing levels, gross margin improved from 14.9% to 15.3% and reflected cost saving initiatives including accelerated expansion of manufacturing capacity in Thailand, centralized purchasing activities and investment in equipment and information technology capabilities. Management has launched a number of initiatives to improve operations at the manufacturing facility in Georgia (United States), which continued to perform below management's expectations. Selling, general and administrative expenses were JPY 1.1 billion higher than during the same period last year mainly due to increased bad debt allowances, research and development activities (including rain sensor development), sales and marketing spending by the European office, expenses related to the implementation of a new SAP ERP system, and JPY 210 million of impairment charges related to certain real estate assets.

Income tax benefit for the six months ended September 30, 2005, amounted to JPY 406 million, following assessment of the recoverability of certain deferred tax assets.

EBITDA for the six months ended September 30, 2005 amounted to JPY 1.9 billion compared to JPY 3 billion in the same period last year. Net financial debt at September 30, 2005 amounted to JPY 20.7 billion compared to JPY 18.8 billion at September 30, 2004.

Liquidity and Capital Resources

As of September 30, 2005, Niles had a total of JPY 22.5 billion in indebtedness outstanding on a consolidated basis, including JPY 8.5 billion classified as short-term (current portion of long term debt amounted to JPY 2 billion). As of September 30, 2004, the total indebtedness outstanding was JPY 20.6 billion, including JPY 5.5 billion classified as short-term. At September 30, 2005, the effective interest rate on outstanding loans was 2.9%.

D&M

D&M - Condensed Income Statements (unaudited)		
For the Six Months Ended September 30		
<i>(In JPY million)</i>	2005	2004 (a)
Net sales	36,444	34,693
Gross profit	14,480	13,157
Gross margin in %	39.7%	37.9%
Selling, general and administrative	(14,096)	(13,847)
Profit from operations	7,954	285
Profit after tax, before discontinued operations	4,687	153
Discontinued operations, net of tax	(3,420)	(405)
Net profit/(loss)	1,257	(262)

(a) Restated to reflect the presentation of discontinued operations

Results of Operations

Net sales for the six months ended September 30, 2005 improved 5% over the same period last year and included the September results of Boston Acoustics, a manufacturer of high-performance speaker systems in the United States which was acquired as of August 26, 2005. Excluding Boston Acoustics, net sales were 2.9% higher. The Premium Audio-Visual Segment reported an increase in net sales of 2.4% with significant market share gains in the largest category of receivers and amplifiers sold in audio-visual specialty stores, despite a double digit global industry decline in this category. New products were successfully launched by Denon (S-Series home-theater-

in-a-box systems), Marantz (SACD player) and McIntosh (Big Flagship Series of super premium audio-visual components, and a music server capable of streaming music files over a home network). Geographically, North America led the gains with all brands experiencing sales growth.

Profit from operations for the six months ended September 30, 2005 included a gain of JPY 7.2 billion from the sale of the Company's current headquarters property in Tokyo. Excluding this gain, profit from operations of JPY 765 million was higher than the JPY 285 million reported for the prior period. Gross margin improved to 39.7% from 37.9% last year mainly due to (a) reduced costs for certain component parts which adversely affected gross margins during the same period last fiscal year and (b) higher gross margins from Boston Acoustics and ReplayTV (under the subscription fee based model). During the period, D&M's manufacturing facility in China began shipping Denon's new S-Series products. Selling, general and administrative expenses were up from the six months ended September 30, 2004, and reflected (a) higher sales and marketing expenses, including the addition of Boston Acoustics, (b) a JPY 101 million charge from the initial implementation of IFRS 2, partially offset by (c) certain licensing fees for prior periods recognized during the same period last fiscal year. Other operating income for the six months ended September 30, 2004, included certain real estate gains of JPY 900 million.

D&M exited the Rio business as of September 30, 2005. D&M's decision followed management's determination that the mass-market portable digital audio player business did not have a sufficiently strong strategic fit with its core and profitable premium consumer electronics brands to warrant additional investment. The results of Rio (including sales of JPY 4.2 billion, operating loss of JPY 5.7 billion and net loss of JPY 3.4 billion), along with costs and write-offs related to the shutdown, have been presented as discontinued operations in the Condensed Income Statements shown above.

Excluding the gain from the sale of the headquarters property, EBITDA for the six months ended September 30, 2005, amounted to JPY 1.5 billion, compared to JPY 1.1 billion in the same period last year. Net financial debt at September 30, 2005 was JPY 10.5 billion; a reduction of JPY 3.2 billion from the same time last year mainly due to repayment from proceeds of the property sale, partially offset by funding the Boston Acoustics acquisition.

Liquidity and Capital Resources

At September 30, 2005, D&M had JPY 12.7 billion in indebtedness outstanding on a consolidated basis, including JPY 3.4 billion classified as short-term (JPY 2.3 billion representing current portion of long term debt). At September 30, 2004, total indebtedness outstanding amounted to JPY 15.7 billion, of which JPY 9.1 billion were classified as short-term.

D&M has a senior credit facility of JPY 18.5 billion, comprising a term loan of JPY 7.5 billion and a revolving loan facility of JPY 11 billion. As of September 30, 2005, JPY 9.2 billion of borrowings were outstanding under these facilities including the term loan

of JPY 7.5 billion which was used to fund the acquisition of Boston Acoustics. The term loan is due serially through 2010. In August, 2005, D&M used the proceeds from the sale of the headquarters property in Tokyo to pay down debt, including a term loan of JPY 4 billion, which was outstanding at March 31, 2005.

Interest rate on the senior credit facility is based on TIBOR plus the applicable margin ranging from 0.75 to 1.5%. At September 30, 2005, the effective interest rate on outstanding loans under this facility was 2.1%.

Phoenix Seagaia Resort

Phoenix Seagaia Resort - Condensed Income Statements (unaudited)		
For the Six Months Ended September 30		
<i>(In JPY million)</i>	2005	2004
Net sales	6,886	6,330
Gross profit	659	731
Gross margin in %	9.6%	11.5%
Selling, general and administrative	(1,242)	(1,509)
Loss from operations	(568)	(778)
Net loss	(847)	(1,001)

Results of Operations

Net sales for the six months ended September 30, 2005 improved 8.8% from the same period last year. Phoenix Seagaia Resort's hotel occupancy rate of 47% in the first half of the fiscal year compared favorably to 42.9% achieved during the same period last year. During the traditional peak month of August, occupancy was helped by dryer than normal weather conditions, while August 2004 was severely affected by typhoons. Average daily room rate was 10% better than last year and reflected a higher proportion of leisure retail customers versus group tours. Number of golf rounds also increased by 1.7%, while the average golf revenue per round was slightly lower than last year.

Loss from operations of JPY 568 million was JPY 210 million lower than for the same period last year. Gross margin declined from 11.5% last year to 9.6% mainly due to higher depreciation from the new spa (onsen) and restaurant facilities (JPY 143 million) and costs related to the new defined benefit pension plan implemented at the beginning of the fiscal year. As a percentage of sales, selling, general and administrative expenses were 18% compared to 23.8% last year and reflected a continuous effort to improve profitability through headcount reductions, better control over overtime expenses and

food costs, and reduced outsourcing. Phoenix Seagaia Resort is negotiating revisions to the arrangement (relating to certain hotel facilities) with the Starwood Group from a management to a franchise contract.

EBITDA for the six months ended September 30, 2005 amounted to a loss of JPY 186 million, as compared to a loss of JPY 490 million for the same period last year. Net financial debt at September 30, 2005 was JPY 10.5 billion, JPY 900 million lower than the prior year.

Liquidity and Capital Resources

At September 30, 2005, Phoenix Seagaia Resort had JPY 13.2 billion in indebtedness outstanding, including JPY 4.1 classified as short-term (current portion of long term debt amounted to JPY 2.1 billion). At September 30, 2004, total indebtedness outstanding amounted to JPY 11.8 billion, including JPY 2 billion classified as short term.

Phoenix Seagaia Resort has a senior credit facility of JPY 11.3 billion, all of which was outstanding as of September 30, 2005. As of September 30, 2005, RHJ International had guaranteed the payment of principal and interest totaling JPY 4.2 billion of Phoenix Seagaia Resort's outstanding debt. The effective interest rates under this facility, after reflecting the impact of interest rate swap contracts, was 4% at September 30, 2005.

Vendor financing amounting to JPY 2 billion, related to the acquisition and construction of property and equipment (Phase II development program), has been reclassified to other current payables at September 30, 2005.

In June, 2005, Phoenix Seagaia Resort received equity funding of JPY 500 million from the Company, which was followed by an additional JPY 700 million in November, 2005.

CME

CME - Condensed Income Statements (unaudited)		
For the Six Months Ended September 30		
<i>(In JPY million)</i>	2005	2004
Net sales	11,564	11,747
Gross profit	5,445	5,697
Gross margin in %	47.1%	48.5%
Selling, general and administrative	(5,360)	(4,878)
Profit from operations	4,519	819
Net profit	4,533	741

Results of Operations

Net sales for the six months ended September 30, 2005 declined 1.6% from the same period last year mainly due to the divestiture of the CD/DVD Pressing business in Japan. For the Music Entertainment segment, net sales were in line with last year, with improved P&D (Press & Distribution - third party distribution) activity, offset by a decrease of 1.8% for A&R (Artists and Repertoire – in house production) activity. Within A&R, sales of J-Pop and J-Rock were below expectations with no smash hits and some delays in album releases. Although still modest, sales from the digital distribution business continued to grow rapidly.

On July 22, 2005, CME divested the non-core CD/DVD Pressing business in Japan and the property on which the factory was located. The gain from the sale of the real estate (JPY 5.5 billion), was partially offset by the loss (JPY 972 million) on the sale of the business. Excluding this net gain of JPY 4.6 billion, loss from operations of JPY 49 million was lower than the JPY 819 million profit reported for the six months ended September 30, 2004. Gross margin of 47.1% declined from 48.5% over the comparative period mainly due to deteriorating margins in the CD/DVD pressing businesses (pricing pressure and higher material costs) and lower margins for the A&R activity. Selling, general and administrative expenses were up 9.9%, with increased sales promotion and advertising expenses, in addition to new office relocation costs.

EBITDA for the six months ended September 30, 2005 amounted to JPY 487 million (excluding the JPY 4.6 billion net gain on the divested business and the property), as compared to JPY 1.2 billion in the prior year. Net cash position at September 30, 2005 of JPY 3.8 billion compared with net financial debt of JPY 3.9 billion at September 30, 2004.

Liquidity and Capital Resources

CME had JPY 213 million of indebtedness outstanding at September 30, 2005, all of which were balances related to finance leases, of which JPY 58 million was classified as short-term. At September 30, 2004, indebtedness outstanding was JPY 4.6 billion, most of which were short-term. All bank debt was paid down with the proceeds from the real estate sale.

At September 30, 2005, CME had a secured credit facility amounting to JPY 2.25 billion and unsecured credit facilities totaling JPY 1.5 billion. The senior credit facility is secured by a pledge over accounts receivables. On December 9, 2005, these facilities were replaced by a new revolving credit facility of JPY 5 billion, bearing interest at TIBOR plus a margin ranging from 1.05% to 2% and secured by accounts and notes receivables.

Statement of the Auditors

“We have reviewed the condensed consolidated interim financial statements of RHJ International SA as of and for the six-month period ended September 30, 2005. Our report prepared in accordance with ISRE 2400 “Engagements to review financial statements” is dated December 29, 2005 and contains a division of responsibility clause in accordance with § 18 of ISA 600, “Using the work of another auditor”, since a number of subsidiaries have been reviewed by other auditors. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. This review has not identified any significant corrections that should be made to the financial information referred to above.”

About RHJ International:

RHJ International (Euronext: RHJI) is a limited liability company organized under the laws of Belgium, having its registered office at Avenue Louise 326, 1050 Brussels, Belgium. It is a diversified holding company focused on creating long-term value for its shareholders by acquiring and operating businesses in attractive industries in Japan and elsewhere. For further information visit: www.rhji.com.

For further information please contact:

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Appendix A: Ownership Interests

Appendix B: Unaudited Condensed Consolidated Financial Statements for the six months ended September 30, 2005

This press release contains certain forward-looking statements concerning the Company's operations, economic performance and financial condition. Such forward-looking statements are based on management's current expectations, estimates and projections and are subject to a number of assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause such differences include, but are not limited to, those discussed in the listing prospectus dated March 23, 2005 that had been prepared in connection with the listing of its ordinary shares on Euronext Brussels (as such listing was completed in March 2005). Investors are cautioned not to place undue reliance on these forward-looking statements. The Company has no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

Appendix A: Ownership Interests

Name	Ticker	Industry	Ownership / Voting rights**
Asahi Tec Corporation	TSE*: 5606	Automotive Components, Cast Auto Parts Segment	58.4% / 65.4%
Honsel International Technologies S.A.	Private	Automotive Components, Cast Auto Parts Segment	57.8% / 88.8%
Niles Co., Ltd.	Private	Automotive Components, Electronic Components Segment	96.2% / 96.2%
D&M Holdings Inc.	TSE: 6735	Consumer Electronics, Audio-Visual/Home Theater- Related Segment	51.7% / 51.7%
Phoenix Resort K.K.	Private	Hospitality Segment	100% / 100%
Columbia Music Entertainment, Inc.	TSE: 6791	Media and Entertainment, Music Entertainment Segment	25.5% / 49.6%
Shaklee Global Group, Inc.	Jasdaq: 8205	Consumer Products, Nutrition	40.7% / 40.7%

* TSE =Tokyo Stock Exchange

** As of September 30, 2005

Appendix B: Unaudited Condensed Consolidated Financial Statements for the six months ended September 30, 2005

The Unaudited Condensed Consolidated Financial Statements for the six months ended September 30, 2005 should be read in conjunction with and only reflect significant changes from the Consolidated Financial Statements published in the Annual Report for the Fiscal Year ended March 31, 2005.

Unaudited Consolidated Income Statement for the Six Months Ended September 30, 2005

<i>(in JPY million)</i>	<i>Note</i>	2005
Net sales	(2)	165,926
Cost of sales		(136,586)
Gross profit		29,340
Selling, general and administrative	(5)	(34,081)
Amortization of identifiable intangible assets	(1)	(2,774)
Other operating income		7,454
Loss from operations	(2)	(61)
Income from associates		80
Net financing cost		(1,877)
Loss before tax		(1,858)
Income tax		(712)
Loss after tax, before discontinued operations		(2,570)
Discontinued operations, net of tax	(6)	(2,128)
Minority interest		2,274
Net loss	(2)	(2,424)
Basic loss per share		(31.14)
Diluted loss per share		(31.14)

Unaudited Consolidated Statement of Recognized Income and Expense for the Six Months Ended September 30, 2005

<i>(In JPY million)</i>	2005
Income (expense) recognized directly in equity	
Foreign exchange translation differences	1,764
Share-based payment transactions	473
Other	34
Income recognized directly in equity	2,271
Loss for the period, before minority interest	(4,698)
Attributable to:	
Equity holders of the parent	(1,595)
Minority Interest	(832)
Total recognized income and expense for the period	(2,427)

Unaudited Consolidated Balance Sheets as of September 30, 2005 and March 31, 2005

	<i>Note</i>	Sept. 30, 2005	March 31, 2005 (a)	March 31, 2005 (b)
Assets				
Property, plant and equipment	<i>(1)</i>	132,678	142,999	99,794
Intangible assets	<i>(1)</i>	115,685	117,154	123,157
Investments accounted for under the equity method		12,392	12,312	12,312
Other investments		2,564	2,672	2,672
Deferred tax assets	<i>(1)</i>	10,879	11,371	10,098
Others		1,598	1,474	1,474
Total non-current assets		275,796	287,982	249,507
Inventories	<i>(1)</i>	35,490	37,535	33,331
Investments		505	466	466
Income tax receivable		362	244	244
Trade and other receivables		67,907	66,589	66,589
Cash and cash equivalents		116,801	118,449	118,449
Total current assets		221,065	223,283	219,079
Total assets		496,861	511,265	468,586
Equity				
Issued capital		107,701	107,701	107,701
Share premium		83,252	83,402	83,402
Retained earnings		(2,620)	(1,025)	(1,025)
Total equity attributable to equity holders of the parent		188,333	190,078	190,078
Minority interest		38,740	39,572	22,086
Total equity		227,073	229,650	212,164
Liabilities				
Interest-bearing loans and borrowings	<i>(4)</i>	101,345	105,234	105,234
Employee benefits	<i>(1)</i>	27,952	29,181	28,148
Provisions		727	87	87
Deferred tax liabilities		26,212	30,711	6,551
Trade and other payables		4,552	2,268	2,268
Total non-current-liabilities		160,788	167,481	142,288
Interest-bearing loans and borrowings	<i>(4)</i>	22,851	26,855	26,855
Provisions		1,702	3,492	3,492
Tax liabilities		2,822	3,442	3,442
Trade and other payables		79,158	78,188	78,188
Others		2,467	2,157	2,157
Total current liabilities		109,000	114,134	114,134
Total liabilities		269,788	281,615	256,422
Total equity and liabilities		496,861	511,265	468,586

(a) Restated to reflect the effects of the provisional purchase price allocation – see note 1.

(b) As published in the Company's Annual Report for the Fiscal Year Ended March 31, 2005.

Unaudited Consolidated Statement of Cash Flow for the Six Months Ended September 30, 2005

<i>(in JPY million)</i>	<i>Note</i>	2005
<i>Cash flows from operating activities</i>		
Loss for the period, before minority interest		(4,698)
Adjustments for:		
Depreciation		8,012
Amortization		3,360
Impairment losses, provisions and write-downs		525
Foreign exchange gains, net		(1,196)
Interest expense, net		2,815
Share of (profit) loss of associates		(80)
Gain on sale of property, plant and equipment		(5,958)
Share-based payment expenses		473
Income tax (benefit) expense		712
Other		1,152
Operating profit before changes in working capital and provisions		5,117
Decrease (increase) in trade and other receivables		(2,190)
Decrease (increase) in inventories		1,513
Increase (decrease) in trade and other payables		(1,574)
Increase (decrease) in provisions and employee benefits		(114)
Cash generated from the operations		2,752
Interest paid		(2,125)
Income taxes paid		(3,398)
Net cash from operating activities		(2,771)
<i>Cash flow from investing activities</i>		
Proceeds from sale of plant and equipment		17,110
Proceeds from sale of intangible assets		998
Acquisition of subsidiary, net of cash acquired	(3b)	(7,411)
Disposal of subsidiary, net of cash disposed		7,498
Acquisition of property, plant and equipment		(10,108)
Acquisition of intangible assets		(776)
Other		247
Net cash from investing activities		7,558
<i>Cash flows form financing activities</i>		
Repayment of borrowings	(4)	(6,940)
Other		(425)
Net cash from financing activities		(7,365)
Net increase in cash and cash equivalents		(2,578)
Cash and cash equivalents at March 31, 2005		118,449
Effect of exchange rate fluctuations on cash held		930
Cash and cash equivalents at September 30, 2005		116,801

Notes to the Condensed Consolidated Financial Statements

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1. Significant Accounting Policies

RHJ International S.A. (“RHJI”) is a company domiciled in Belgium. The Condensed Consolidated Financial Statements for the six months ended September 30, 2005 comprise RHJI, its subsidiaries and its businesses accounted for under the equity method (together referred to as the “Company”).

Statement of Compliance

The Condensed Consolidated Financial Statements for the six months ended September 30, 2005 have been prepared in accordance with IAS 34 on Interim Financial Reporting and comply with International Financial Reporting Standards (“IFRS”) and its interpretations issued by the International Accounting Standards Board (“IASB”) as adopted by the European Union up to September 30, 2005 and in accordance with the Belgian Royal Decree of January 30, 2001 relating to the consolidated accounts of listed companies. The Company has not applied any standards and interpretations issued up to September 30, 2005, but with an effective date after September 30, 2005.

Intangible Assets

Goodwill

The ownership interests in RHJI’s seven businesses were contributed to it on March 31, 2005 at fair value. At September 30, 2005, the Company provisionally allocated the goodwill arising from the contribution among the fair value of assets acquired and liabilities assumed. The purchase price allocation has been undertaken for all contributed businesses. It is based on an independent appraiser’s opinion on the fair values of tangible and identifiable intangible assets and liabilities, at March 31, 2005. Acquired inventories of finished goods and work-in-process have been fair-valued at their net realizable value less disposal costs. The Company’s Consolidated Balance Sheet at March 31, 2005 has been restated to reflect the effects of the provisional purchase price allocation.

At March 31, 2005, carrying values and fair values were as follows:

RHJI – Provisional Purchase Price Allocation as at March 31, 2005			
<i>(in JPY million)</i>	Carrying Value (a)	Fair Value (b)	Difference
Inventories	33,331	37,535	4,204
Property, plant and equipment	99,794	142,999	43,205
Intangible assets other than goodwill	6,078	79,449	73,371
Goodwill	117,079	37,705	(79,374)
Net deferred tax asset (liability)	3,547	(19,340)	(22,887)
Minority Interest	(22,087)	(39,573)	(17,486)
Employee benefits	(28,148)	(29,181)	(1,033)
Total	209,594	209,594	-

(a) As published in the Company's Annual Report for the Fiscal Year ended March 31, 2005.

(b) Based upon the valuation report of the independent appraiser.

Other Intangible Assets

The identifiable intangible assets, resulting from the provisional purchase price allocation are amortized on a straight-line basis over their estimated useful lives. The range of estimated useful lives is as follows:

Intellectual Property	3 – 10 years
Customer Contracts and Relationships	8 – 25 years
Patents	10 years
Other Rights and Agreements	4 – 15 years

Employee Benefits

Equity and Equity-related Compensation Benefits

Beginning April 1, 2005, the Company adopted IFRS 2. In accordance with IFRS 2, the fair values at April 1, 2005 of the stock options and the shares granted as consideration for future services have been determined and amortized over the period in which they will be earned.

Discontinued Operations

Beginning April 1, 2005, the Company adopted IFRS 5. A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the

operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

2. Segment Reporting

Segment information is presented with respect to the Company's business segments. The primary format, business segments, is based on the Company's management and internal reporting structure.

Business Segments

The Company comprises the following main business segments:

- Niles Co. Ltd. ("Niles")
- D&M Holdings Inc. ("D&M")
- Columbia Music Entertainment, Inc. ("CME")
- Honsel International Technologies SA ("HIT")
- Asahi Tec Corporation ("Asahi")
- Phoenix Resort KK ("Phoenix")
- Corporate Headquarters

	Asahi	Niles	D&M	Phoenix Seagaia	CME	HIT	Corp. HQ	Eliminated	Total
<i>(In JPY million)</i>									
Net sales	26,441	26,287	36,444	6,886	11,564	58,303	449	(448)	165,926
Operating income (loss) (a)	1,128	(73)	7,954	(568)	4,519	(650)	(559)		11,751
Effects of Provisional Purchase Price Allocation (b)	(776)	(469)	(2,516)	(290)	(6,368)	(1,393)	-	-	(11,812)
Profit (loss) from operations	352	(542)	5,438	(858)	(1,849)	(2,043)	(559)	-	(61)
Net profit (loss) (c)	628	73	1,257	(847)	4,533	(1,402)	1,115	(84)	5,273
Minority Interest	(261)	5	(608)	-	(3,377)	593	-	-	(3,648)
Effects of Provisional Purchase Price Allocation	(565)	(458)	(603)	(290)	(1,650)	(483)	-		(4,049)
Net Profit (loss)	(198)	(380)	46	(1,137)	(494)	(1,292)	1,115	(84)	(2,424)

- (a) Operating income (loss) as per the unaudited financial results reported by the consolidated businesses.
 (b) Effects of the provisional purchase price allocation. These effects are reflected solely in the Company's Consolidated Financial Statements and are not recorded in the financial statements of the individual companies.
 (c) Net profit (loss) as per the unaudited financial results reported by the consolidated businesses.

3a. Unaudited Comparative Pro Forma Consolidated Income Statement

RHJI has ownership interests in seven operating businesses. These ownership interests were contributed to RHJI on March 31, 2005. As a result, there are no comparative actual consolidated results. For comparison purposes to its Unaudited Consolidated Income Statement ended September 30, 2005 presented below, the Company has used the Unaudited Pro Forma Consolidated Income Statement for the six months ended September 30, 2004, presented in connection with the listing of its ordinary shares.

Unaudited Consolidated Income Statements		
For the Six Months Ended September 30,		
<i>(in JPY million)</i>	2005	2004 (a) (b)
Net sales	165,926	172,799
Cost of sales	(136,586)	(138,885)
Gross profit	29,340	33,914
Selling, general and administrative	(34,081)	(34,112)
Amortization of identifiable intangible assets	(2,774)	-
Other operating income	7,454	1,531
Profit (loss) from operations	(61)	1,333
Income from associates	80	78
Net financing cost	(1,877)	(2,324)
Profit (loss) before tax	(1,858)	(913)
Income tax	(712)	(1,475)
Loss after tax, before discontinued operations	(2,570)	(2,388)
Discontinued operations, net of tax	(2,128)	-
Minority interest	2,274	(177)
Net loss	(2,424)	(2,565)

- (a) The Unaudited Pro Forma Consolidated Income Statement for the six months ended September 30, 2004, includes HIT's results of operations for the six months ended June 30, 2004.
- (b) The Unaudited Pro Forma Consolidated Income Statement for the six months ended September 30, 2004 has not been restated to reflect the results of Rio and Norcast as discontinued operations.

3b. Effects of Acquisitions

On August 26, 2005, D&M acquired Boston Acoustics, a manufacturer of high-performance speaker systems in the United States. The consolidated Income statement for the six months ended September 30, 2005, included the Boston Acoustics' result for September. The Unaudited Pro Forma Condensed Consolidated Income Statements as if the acquisition had occurred at the beginning of the period are as follows:

Pro Forma Condensed Consolidated Income Statement (unaudited) For the Six Months Ended September 30, 2005	
<i>(in JPY million)</i>	
Net sales	169,643
Gross profit	31,102
Profit from operations	393
Net loss	(2,262)

The goodwill arising from the Boston Acoustics acquisition has not been allocated by D&M to the fair value of assets acquired and liabilities assumed.

4. Interest Bearing Loans and Borrowings

Consolidated indebtedness outstanding at September 30, 2005 amounted to JPY 124.2 billion compared to JPY 132.1 billion at March 31, 2005.

<i>(In JPY million)</i>	September 30, 2005	March 31, 2005
Non-current liabilities		
Finance lease liabilities	2,490	1,960
Bank loans	96,252	94,997
Others	2,603	8,277
Total	101,345	105,234
Current liabilities		
Finance lease liabilities	1,178	1,218
Bank loans	21,662	25,164
Others	11	473
Total	22,851	26,855

HIT maintains a senior facility of JPY 50 billion, comprised of term loan tranches and revolving credit, and a mezzanine facility of JPY 15.6 billion. Due to the impact of lower volumes and operational issues (including high scrap rates and equipment efficiency at two of its operating facilities), HIT was in breach of the financial covenants of

its Senior and Mezzanine Credit Agreements at June 30, 2005. Negotiations to resolve such defaults were successfully completed in November, 2005 and the revised terms are described in note 8 on Subsequent Events.

As of September 30, 2005, HIT had JPY 61.6 billion of indebtedness outstanding on a consolidated basis, including JPY 9 billion classified as short-term (current portion of long term debt amounted to JPY 574 million).

D&M has a senior credit facility of JPY 18.5 billion, comprising a term loan of JPY 7.5 billion and a revolving loan facility of JPY 11 billion. As of September 30, 2005, JPY 9.2 billion of borrowings were outstanding under these facilities including the term loan of JPY 7.5 billion which was used to fund the acquisition of Boston Acoustics. The term loan is due serially through 2010. In August, 2005, D&M used the proceeds from the sale of the headquarters property in Tokyo to pay down debt, including a term loan of JPY 4 billion, which was outstanding at March 31, 2005.

At March 31, 2005, CME had JPY 4.7 billion of indebtedness outstanding, of which JPY 4.6 billion was bank debt. All bank debt was paid down with the proceeds from a real estate sale.

5. Employee Benefits

Certain consolidated businesses have stock option plans for directors and employees. The stock options are subject to vesting over 2 to 5 years and have a life-time of up to 10 years. In addition, a significant shareholder of RHJI had granted 913,200 shares of RHJI to certain members of the Company's management and other employees. These shares vest over 5 years and are subject to a 5 year lock-up. In accordance with IFRS 2, the fair values at April 1, 2005 of the stock options and the shares granted as consideration for future services have been determined and amortized over the period in which they will be earned.

	Asahi	Niles	HIT	D&M	CME
Total options outstanding at April 1, 2005	2,769,773	1,170,650	-	9,593,676	7,485,000
Exercised	(3,000)	-	-	(6,844)	-
Granted	1,354,000	997,900	623,001	433,000	550,000
Forfeited	(348,000)	(58,200)	-	(699,334)	(50,000)
Total options outstanding at September 30, 2005	3,772,773	2,110,350	623,001	9,320,498	7,985,000
Exercisable at September 30, 2005	218,097	546,000	-	6,804,442	6,461,000

Total fair value at April 1, 2005 of stock options and shares granted relating to future services amounted to JPY 2.6 billion, of which JPY 473 million was recognized as expense for the six months ended September 30, 2005.

The fair value as at April 1, 2005 of stock options and shares granted, was calculated using the Black-Scholes-Merton and Finnerty methods, respectively. The following indicates the range of assumptions used for the different stock options and shares granted:

Share volatility:	27% - 64%
Risk free interest rate:	0.27% - 3.4%
Forfeiture rate:	0% - 13.47%
Life-time:	66% - 100%
Dividend yield:	0%

6. Discontinued Operations

D&M exited the Rio business as of September 30, 2005. D&M's decision followed management's determination that the mass-market portable digital audio player business did not have a sufficiently strong strategic fit with its core and profitable premium consumer electronics brands to warrant additional investment. The results of Rio, along with costs and write-offs related to the shutdown, have been presented as discontinued operations in the Consolidated Income Statement.

HIT's ownership of Norcast, a non-core Canadian business in the mining industry, was divested in June, 2005.

Following results were reclassified to discontinued operations for the six months ended September 30, 2005:

<i>(in JPY million)</i>	Rio	Norcast	Total
Net sales	4,228	1,119	5,347
Cost of sales	(5,571)	(847)	(6,418)
Gross profit	(1,343)	272	(1,071)
Selling, general and administrative	(4,986)	(152)	(5,139)
Other operating income	670	-	670
Gain on sale of Norcast	-	1,219	1,219
Profit (loss) from operations	(5,659)	1,339	(4,320)
Income tax benefit (expense)	2,239	(46)	2,193
Net profit (loss)	(3,420)	1,292	(2,128)

7. Related Parties

On August 23, RHJI announced that the definitive acquisition agreement between an investor group led by Ripplewood Holdings LLC, and U.S.-based appliance maker, Maytag Corporation, was terminated by Maytag. As required by the terms of the agreement, Maytag has paid a termination fee to Ripplewood Holdings LLC, of which RHJI received its share amounting to JPY 1.1 billion, net of expenses.

8. Subsequent Events

HIT

In November, 2005, certain terms of the Senior and Mezzanine Credit Agreements were amended to resolve covenant defaults. Amendments included (a) replacing the original covenant tests with new minimum EBITDA covenants for the quarters ending December 31, 2005 and March 31, 2006, (b) revising the original covenant thresholds for periods through to December 31, 2007 (after which time the original covenant thresholds will be in effect), (c) margin increase of 0.25% for the senior facilities and 0.25% and 0.50% on the cash and payable in kind elements of the mezzanine facility, respectively, and (d) an up-front fee of 30 basis points on all outstanding balances.