

Overview of Consolidated First-Quarter Earnings Report for the Year Ending March 31, 2006**Sekisui Chemical Co., Ltd.****1. Business results (all companies)**

(% figures indicate change)

	First quarter of year ending March 31, 2006	First quarter of year ended March 31, 2005	Targets for first half of year ending March 31, 2006
Net Sales	192.2 billion yen	177.8 billion yen	445 billion yen
	Change from previous year: 14.3 billion yen	(+8.1%)	Change from previous year: 31.9 billion yen (+7.7%)
Operating Income	1.1 billion yen	-0.9 billion yen	19 billion yen
	Change from previous year: 2.1 billion yen	(-)	Change from previous year: 3.7 billion yen (+24.8%)
Recurring Income	2.8 billion yen	-1.5 billion yen	20.5 billion yen
	Change from previous year: 4.4 billion yen	(-)	Change from previous year: 2.4 billion yen (+13.4%)
Net Income	-3.7 billion yen	-1.7 billion yen	7.0 billion yen
	Change from previous year: -2.0 billion	(-)	Change from previous year: -4.7 billion yen (-)

2. Business results by company**1) Sales and revenues of all companies substantially improved**

(100 Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Eliminations or Unallocatable Accounts	Total
Net Sales						
First quarter of year ending March 31, 2006	934	427	509	112	-60	1,922
First quarter of year ended March 31, 2005	850	410	467	119	-69	1,778
Change	84	16	42	-7	8	143
Targets for first half of year ending March 31, 2006	2,300	1,000	1,050	250	-150	4,450
Operating Income						
First quarter of year ending March 31, 2006	-6	-4	30	-7	0	11
First quarter of year ended March 31, 2005	-28	-2	31	-11	1	-9
Change	22	-1	0	3	-2	21
Targets for first half of year ending March 31, 2006	110	25	75	-20	0	190

2) Segment results**- Housing**

Sales and earnings up due to rise in unit prices of orders received and standardization of production and assembly processes

Number of houses sold: 3,260 (up 130 from previous year)

Net sales in living environment business: 17.7 billion yen (up 12% from previous year)

- Urban Infrastructure & Environmental Products

Core businesses performed well but segment sales and operating income remained unchanged, partly due to curbs on public investment projects

Core businesses: Maintained prices of PVC pipes; price mark-ups of rain guttering won acceptance

Growth fields: Expanded sales in restoring aged pipes (up 42% from previous year)

Overseas: Full-scale entry into market in China for water and environmental infrastructure

Acquired business rights in Xinjiang Yongchang Composite Co.,Ltd, the largest Chinese manufacturer of strengthened plastic compound pipes

Full-scale development of overseas business of restoring aged pipes/in Korea, established joint venture to manufacture and sell materials for restoring aged pipes/in the U.S., started restoring pipes of Los Angeles County sewage system

- High Performance Plastics

Higher earnings due to strong performance the priority field of automotive materials (interlayer film for laminated glass, precision industry products, polyolefin foam) and IT-related products (fine particles for liquid crystal displays)

Operating income remained level due to high prices of raw materials and other factors