

Summary of Financial Results for the Fiscal Year Ended March 31, 2007

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
 Code Number: 4204
 URL: <http://www.sekisui.co.jp>
 Representative Director: Mr. Naotake Okubo, President
 Inquiries: Mr. Motokiyo Sanada, General Manager, Corporate Communication Dept.
 TEL +81-3- 5521-0522
 Scheduled General Meeting of Shareholders: June 28, 2007
 Scheduled date for payment of dividends: June 29, 2007
 Scheduled date for submission of financial statements: June 28, 2007

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for Fiscal Year Ended March 31, 2007 (April 1, 2006 - March 31, 2007)

(1) Consolidated business results (% change from the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2006	926,163	4.6	45,157	12.1	46,910	7.1	25,538	26.2
FY2005	885,067	3.3	40,287	10.5	43,801	15.3	20,229	-9.2

	Net Income Per Share	Net Income Per Share (Diluted)	Net Income to Equity Ratio	Recurring Income to Total Capital Ratio	Operating Income Ratio
	yen	yen	%	%	%
FY2006	48.19	48.13	6.5	5.6	4.9
FY2005	37.78	37.75	5.9	5.6	4.6

(Note) Equity in earnings of affiliated companies March 31, 2007 : 1,414 million yen March 31, 2006 : 1,708 million yen

(2) Consolidated financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	million yen	million yen	%	yen
FY2006	879,153	413,141	45.9	761.69
FY2005	808,357	377,205	46.7	711.54

(Note) Shareholders' equity March 31, 2007 : 403,823 million yen March 31, 2006 : - million yen

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	End of Year Cash and Cash Equivalents
	million yen	million yen	million yen	million yen
FY2006	41,929	-59,100	-2,484	25,968
FY2005	38,268	14,847	-41,421	44,629

2. Dividend Status

(Date of Record)	Dividend Per Share			Total Dividend Payment (full year)	Dividend Payout Ratio (consolidated)	Dividend to equity ratio (consolidated)
	At Midterm	Year-end	Full Year			
	yen	yen	yen	million yen	%	%
FY2006	6.00	8.00	14.00	7,426	29.1	1.9
FY2005	5.00	6.00	11.00	5,829	29.1	1.7
FY2007(outlook)	7.00	8.00	15.00		30.6	

3. Consolidated Outlook for FY2007 (April, 2007 – March 31, 2008)

	Net Sales		Operating Income		Recurring Income		Net Income		Net Income Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Midterm	465,000	6.3	20,000	4.2	22,000	6.1	4,000	-57.3	7.54
Full Year	980,000	5.8	57,000	26.2	59,000	25.8	26,000	1.8	49.04

4. Other

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting) No

(2) Changes in accounting principles, methods or reporting methods affecting the production of the consolidated financial statements (fundamental changes in main reported items for the production of the consolidated financial statements)

Changes caused by revisions to accounting principles Yes

Changes other than No

(3) Number of shares outstanding (common stock)

Number shares outstanding at fiscal year-end (including treasury stock)

March 31, 2007 539,507,285

March 31, 2006 539,507,285

Treasury stock at fiscal year-end

March 31, 2007 9,337,271

March 31, 2006 9,745,774

*Forecasts, projections and targets in this report are based on business conditions pertaining at the time of release of this report. Actual results could differ significantly due to changes in these business conditions.

***Reference Materials**

April 26, 2007

Summary of Business Results for Fiscal Year 2006**1. Business Results for FY2006 (Consolidated)****<Highlights>**

Operating income rose 12% on increased earnings and profits in the automotive, IT and plant materials fields

(1) Overall

(billion yen)

	FY 2006 Actual	FY 2005 Actual	Difference	
Net Sales	926.1	885.0	41.0	4.6%
Operating Income	45.1	40.2	4.8	12.1%
Recurring Income	46.9	43.8	3.1	7.1%
Net Income	25.5	20.2	5.3	26.2%
Dividend per share	14 yen (interim 6 yen, year-end 8 yen)	11 yen (interim 5 yen, year-end 6 yen)	3 yen (interim 1 yen, year-end 2 yen)	

(2) By Company

(billion yen)

	FY 2006 Actual		FY 2005 Actual		Difference			
	Sales	Operating Income	Sales	Operating Income	Sales		Operating Income	
Housing	430.4	14.3	427.6	14.6	2.8	0.7%	-0.3	-2.4%
Urban Infrastructure & Environmental Products	226.4	11.2	214.0	10.4	12.4	5.8%	0.8	8.4%
High Performance Plastics	245.4	20.6	218.3	17.4	27.1	12.4%	3.1	18.2%
Other Businesses	49.6	-0.8	51.0	-2.4	-1.3	-2.7%	1.5	-
Eliminations or unallocatable accounts	-25.9	-0.2	-26.0	0.1	0	-	-0.4	-
Total	926.1	45.1	885.0	40.2	41.0	4.6%	4.8	12.1%

(3) Overview

- 1. Steadily expanding overseas business**
- 2. Aggressive strategic investment implemented**
- 3. Effectively marketed advanced functionality housing**

(4) Company Overview

Housing: Income rose while profit declined as our highly competitive advanced functionality housing drew strong order expansion and solidified the income base

New construction orders: Unit orders received +1.1%, order value +2.5%

No. of new construction units sold: 15,000 units (compared with PY -850 units)

Living Environment Business: Sales continued strong, +13.5%, order value +11.5%

Stronger product lineup: New Parfait Master Design launched in April 2006 offering zero-cost lighting and heating

Launched the new design product "bj plus" in October 2006 targeted at next generation junior and senior citizens

Introduced Grand To You Fiora in January 2007 to commemorate the 60th anniversary of the company founding

Business strategies: Aggressively marketed the advanced functionality housing products and reformed marketing operations to focus on a sales approach based on attracting visitors to showrooms and on the referral business

Urban Infrastructure and Environmental Products: Income and profit increased on growing sales of materials for plants and steadily expanding business overseas

Core businesses: Sharply rising raw materials costs slightly impacted the core PVC pipe and construction materials businesses

Growth and expansion fields: Piping restoration business remained strong underpinned by the Sewage Pipe Renewal Law

Sales continued strong in Japan and overseas for our materials for plants products, including ultrapure water pipes, valves, and high-functioning sheet

Overseas business: Overseas business sales rose 42%

New businesses: Launched in October 2006 a line of next-generation environmental products featuring EcoValue Wood

High Performance Plastics: Income and profit increased due to expanding business in the three core fields (Automotive, IT and Medical) and strong sales overseas

Automotive: Sales expanded for high-performance interlayer films and polyolefin foam products

IT: Sales expanded for fine particles for liquid crystal displays and high-performance resins

Medical products: Purchased all issued shares of Daiichi Pure Chemicals Co., Ltd., from Daiichi Pharmaceutical Co., Ltd., in October 2006 and expanded the diagnostics business

Overseas business: Sales at overseas businesses grew 19%

New factories were built in China (polyolefin foam) and the Netherlands (interlayer film raw materials)

Structural reform: Sold the toner resin operation in April 2007

2. Scope of Consolidation

(No. of Companies)

	FY2006	FY2005	Difference
Consolidated Companies	147	142	5
Equity Method Companies	8	8	0

* Newly consolidated 8, excluded 3

* Impact on earnings from the change in the scope of consolidation (100 million yen)

Net Sales	138
Operating Income	6

3. Cash Flow

(100 million yen)

	FY 2006	FY 2005
Operating Activities	419	382
Investing Activities	-591	148
Financing Activities	-24	-414
Term End Balance of Cash and Cash Equivalents	259	446
Free Cash Flow	-238	475

4. Interest Bearing Liabilities

(100 million yen)

	FY2006	FY2005	Difference
Interest Bearing Liabilities	1,112	946	166

5. Capital Expenditure

(100 million yen)

	FY2006	FY2005	Difference
Housing	63	58	4
Urban Infrastructure & Environmental Products	86	61	24
High Performance Plastics	190	143	47
Other Businesses	16	14	1
Eliminations or unallocatable accounts	6	5	1
Total	363	283	79

*Breakdown of Capital Investment:
Construction of interlayer film
plant in the U.S.

6. Depreciation

(100 million yen)

	FY2006	FY2005	Difference
Housing	53	55	-1
Urban Infrastructure & Environmental Products	56	55	1
High Performance Plastics	125	117	7
Other Businesses	16	16	-0
Eliminations or unallocatable accounts	8	10	-1
Total	260	255	5

7. Research & Development Expenses

(100 million yen)

	FY2006	FY2005	Difference
Housing	45	48	-3
Urban Infrastructure & Environmental Products	56	58	-2
High Performance Plastics	106	89	16
Other Businesses	35	33	2
Total	244	230	13

8. Housing Business Orders

(million yen)

	FY2006	FY2005	Difference
Order value	392,184	377,701	3.8%
Order backlog value at term-end	150,000	151,500	-1.0%

9. Sales and Operating Income per Region

(100 million yen)

		Japan	U.S.A.	Europe	Asia	Others	Eliminated	Total
Sales	FY 2006	8,513	283	339	424	37	-336	9,261
	FY 2005	8,240	240	301	337	30	-300	8,850
	Difference	272	42	38	86	6	-36	410
Operating Income	FY 2006	368	17	31	28	3	1	451
	FY 2005	330	14	34	22	3	-3	402
	Difference	38	2	-3	5	0	4	48

10. Forecast for FY 2007 (Consolidated)**<Highlights>**

Raise operating income 26% by expanding overseas business and improving earnings in the housing business

(1) Overall

(billion yen)

	FY 2007 Forecast	FY 2006 Actual	Difference	
Net Sales	980.0	926.1	53.8	5.8%
Operating Income	57.0	45.1	11.8	26.2%
Recurring Income	59.0	46.9	12.0	25.8%
Net Income	26.0	25.5	0.4	1.8%
Dividend per share	15 yen (interim 7 yen, year-end 8 yen)	14 yen (interim 6 yen, year-end 8 yen)	1 yen (interim 1 yen, year-end 0 yen)	

(2) By Company

(billion yen)

	FY 2007 Forecast		FY 2006 Actual		Difference			
	Sales	Operating Income	Sales	Operating Income	Sales		Operating Income	
Housing	436.0	20.0	430.4	14.3	5.5	1.3%	5.6	39.5%
Urban Infrastructure & Environmental Products	245.0	14.5	226.4	11.2	18.5	8.2%	3.2	28.4%
High Performance Plastics	280.0	25.0	245.4	20.6	34.5	14.1%	4.3	20.8%
Other Businesses	49.0	-2.5	49.6	-0.8	-0.6	-1.4%	-1.6	-
Eliminations or unallocatable accounts	-30.0	-	-25.9	-0.2	-4.0	-	0.2	-
Total	980.0	57.0	926.1	45.1	53.8	5.8%	11.8	26.2%

(3) Overview

- 1. Aggressive expansion of overseas business**
- 2. Established a high-level earnings structure for the housing business**
- 3. Implemented aggressive strategic investment in growth fields**

(4) Company Overview

Housing: Improve housing business operating efficiency and strengthen reform business earnings structure

Housing Business: Increase Tokyo, Chubu and Kinki regional sales

- Enhance sales competitiveness: Unify business strategies, expand sales force
- Improve organizational efficiency: Reduce fixed costs and raise operating efficiency
- Timely launches of environmental and performance products
- Expand orders by improving product quality and after-sale service
- Target new construction unit sales of 15,000 units (equal to previous fiscal year)

Living Environment Business: Strengthen operating structure

Increase sales of exterior tile and other core products

Urban Infrastructure and Environmental Products: Accelerate development of the water environment solutions and overseas business “growth frontiers” and strengthen earnings structure

Water Environment Solutions: Strengthen product lineup with growth products (olefin products, rehabilitation pipes) and expand sales

Overseas business development: China Operations: Establish a vertical operating structure Xinjiang Yongchang-Sekisui Composites Co., Ltd. and the Shanghai and Guangzhou plants

Plant Materials: Establish a vertical operating structure for Sekisui Sanideng Co., Ltd., in Taiwan and its plants, strengthen resin sheet business in the U.S. after the acquisition of Allen Extruders Inc.

Rehabilitation Pipes: Expand sales and the construction business base of Sekisui SPR Americas

Earnings Structure: Strengthen the earnings structure of core businesses

High Performance Plastics: Consolidate management resources in the three core fields (Automotive, IT and Medical) and continue expanding business scale and strengthening earning power

Automotive: Increase sales of high-performance interlayer films

Quickly achieve full operational status in the U.S. Interlayer Film plant

IT: Increase sales of liquid crystal chemicals and optic films

Expand production capacity for optical film surface protection film

Medical: Integrate operations with Daiichi Pure Chemicals Co., Ltd., to fortify the diagnostic business, continue to leverage business synergy

Expand overseas business

Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of Yen)

Term Item	Current fiscal year		Prior fiscal year		Difference
	As of 31 Mar. 2007		As of 31 Mar. 2006		
	Amount	%	Amount	%	
(Assets)					
I. Current Assets					
1. Cash and deposits	26,083		44,715		-18,631
2. Trade notes receivable	66,590		51,827		14,762
3. Accounts receivable	110,116		97,864		12,252
4. Securities	22		-		22
5. Inventories	40,704		35,775		4,928
6. Land for sale	19,772		13,397		6,375
7. Other inventories	48,843		45,721		3,122
8. Advances	1,202		1,471		-269
9. Prepaid expenses	1,168		1,161		6
10. Deferred tax assets	11,609		7,615		3,994
11. Short-term loans	3,061		2,534		527
12. Other	13,092		13,499		-406
13. Allowance for doubtful accounts	-1,282		-903		-378
Total current assets	340,986	38.8	314,680	38.9	26,306
II. Fixed assets					
1. Tangible fixed assets					
(1) Buildings & structures	86,798		82,580		4,217
(2) Machinery, equipment and tools	61,176		59,799		1,377
(3) Land	67,958		64,096		3,861
(4) Construction in progress	20,161		12,067		8,094
(5) Other	9,391		7,886		1,505
(Total tangible fixed assets)	(245,485)	(27.9)	(226,429)	(28.0)	(19,056)
2. Intangible fixed assets					
(1) Software	4,674		3,900		773
(2) Goodwill	18,638		-		18,638
(3) Consolidation adjustment account	-		3,070		-3,070
(4) Other	1,939		1,961		-22
(Total intangible fixed assets)	(25,252)	(2.9)	(8,932)	(1.1)	(16,319)
3. Investments and other assets					
(1) Investment securities	249,432		241,248		8,183
(2) Long-term loans	2,184		4,207		-2,023
(3) Long-term prepaid expenses	1,553		1,635		-81
(4) Deferred income taxes	4,163		3,325		838
(5) Other	11,829		10,889		940
(6) Allowance for doubtful accounts	-1,734		-2,991		1,256
(Total investments and other assets)	(267,428)	(30.4)	(258,314)	(32.0)	(9,114)
Total fixed assets	538,166	61.2	493,676	61.1	44,489
Total assets	879,153	100.0	808,357	100.0	70,796

(Millions of Yen)

Term Item	Current fiscal year		Prior fiscal year		Difference
	As of 31 Mar. 2007		As of 31 Mar. 2006		
	Amount	%	Amount	%	
(Liabilities)					
I. Current liabilities					
1. Trade notes payable	14,972		14,949		22
2. Accounts payable	124,152		112,674		11,477
3. Short-term loans	59,353		33,202		26,150
4. Bonds due within one year	10,000		-		10,000
5. Commercial paper	3,000		-		3,000
6. Accrued expenses	29,731		27,794		1,936
7. Accrued income taxes	13,096		5,145		7,951
8. Deferred tax liabilities	110		122		-11
9. Provision for bonuses	13,443		12,006		1,437
10. Provision for directors' bonuses	345		-		345
11. Provision for compensation for completed constructions	936		964		-27
12. Advances received	37,820		38,762		-941
13. Other	34,449		29,725		4,723
Total current liabilities	341,413	38.8	275,348	34.1	66,065
II. Fixed liabilities					
1. Bonds	5,641		15,000		-9,358
2. Long-term loans	33,289		46,405		-13,115
3. Deferred tax liabilities	18,928		15,062		3,865
4. Provision for retirement allowances	60,643		62,895		-2,252
5. Other	6,095		6,185		-89
Total fixed liabilities	124,598	14.2	145,549	18.0	-20,950
Total liabilities	466,011	53.0	420,897	52.1	45,114
(Minority shareholders' interests)			10,253	1.3	-
(Shareholders' equity)					
I. Common stock	-	-	100,002	12.4	-
II. Capital surplus	-	-	109,456	13.5	-
III. Retained earnings	-	-	118,909	14.7	-
IV. Unrealized gain on land revaluation	-	-	215	0.0	-
V. Unrealized holding gain on securities	-	-	54,051	6.7	-
VI. Foreign currency translation adjustments	-	-	1,199	0.1	-
VII. Treasury stock	-	-	-6,629	-0.7	-
Total shareholders' equity	-	-	377,205	46.7	-
Total liabilities, minority shareholders' interest, and shareholders' equity	-	-	808,357	100.0	-
(Net assets)					
I. Shareholders' equity					
1. Common stock	100,002	11.4	-	-	-
2. Capital surplus	109,420	12.4	-	-	-
3. Retained earnings	137,712	15.7	-	-	-
4. Treasury stock	-6,375	-0.7	-	-	-
Total shareholders' equity	340,759	38.8	-	-	-
II. Revaluation and translation adjustments					
1. Unrealized holding gain on securities	57,427	6.5	-	-	-
2. Unrealized gain on land revaluation	216	0.0	-	-	-
3. Foreign currency translation adjustments	5,419	0.6	-	-	-
Total revaluation and translation adjustments	63,063	7.2	-	-	-
III. Share subscription rights	73	0.0	-	-	-
IV. Minority shareholders' interests	9,244	1.1	-	-	-
Total net assets	413,141	47.0	-	-	-
Total liabilities and net assets	879,153	100.0	-	-	-

2. Consolidated Profit and Loss Statements

(Millions of Yen)

Term Item	Current fiscal year		Prior fiscal year		Difference
	From 1 Apr. 2006 to 31 Mar. 2007		From 1 Apr. 2005 to 31 Mar. 2006		
	Amount	%	Amount	%	
I. Net sales	926,163	100.0	885,067	100.0	41,095
II. Cost of sales	656,504	70.9	627,279	70.9	29,224
Gross income	269,659	29.1	257,788	29.1	11,871
III. Selling, general & administrative expenses	224,501	24.2	217,500	24.6	7,000
Operating income	45,157	4.9	40,287	4.6	4,870
IV. Non-operating income					
1. Interest income	910		1,033		
2. Dividend income	2,450		2,634		
3. Investment income resulting from equity method	1,414		1,708		
4. Miscellaneous income	5,435	10,210	6,492	11,869	1.3
V. Non-operating expenses					
1. Interest expenses	1,757		2,131		
2. Discount on commercial paper	19		-		
3. Sales discounts	333		328		
4. Miscellaneous expenses	6,347	8,458	5,894	8,355	0.9
Recurring income	46,910	5.1	43,801	4.9	3,108
VI. Extraordinary income					
Gain on change in equity	-	-	5,189	5,189	0.6
VII. Extraordinary expenses					
1. Structural improvement expenses	4,339		3,946		
2. Loss on asset impairment	1,800		11,880		
3. Loss on sales or disposal of property, plant and equipment	1,913	8,053	1,328	17,155	1.9
Income before income taxes and minority interests	38,856	4.2	31,835	3.6	7,021
Income taxes	15,322		6,584		
Deferred taxes	-2,634	12,688	4,584	11,168	1.3
Minority interests	629	0.1	437	0.0	192
Net income	25,538	2.8	20,229	2.3	5,309

3. Consolidated Statements of Capital Surplus and Retained Earnings, and changes in Shareholders' Equity**Consolidated Statement of Changes in Shareholders' Equity**

Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)

(Millions of Yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	100,002	109,456	118,909	-6,629	321,738
Changes					
Dividends on retained earnings *	-	-	-3,181	-	-3,181
Dividends on retained earnings	-	-	-3,182	-	-3,182
Directors' bonuses *	-	-	-314	-	-314
Increase in retained earnings due to exclusion in consolidated subsidiaries	-	-	-55	-	-55
Decrease in retained earnings due to increase in consolidated subsidiaries	-	-	-2	-	-2
Net income	-	-	25,538	-	25,538
Acquisition of treasury stock	-	-	-	-101	-101
Cancellation of treasury stock	-	-36	-	354	318
Changes in items other than shareholders' equity (net)	-	-	-	-	-
Total changes	-	-36	18,805	253	19,022
Balance at Mar. 31, 2007	100,002	109,420	137,712	-6,375	340,759

	Revaluation and Translation Adjustments				Share subscription rights	Minority shareholders' interests	Total net assets
	Unrealized holding gain (loss) on securities	Unrealized gain on land revaluation	Foreign currency translation adjustments	Total revaluation and translation adjustments			
Balance at March 31, 2006	54,051	215	1,199	55,467	-	10,253	387,459
Changes							
Dividends on retained earnings *	-	-	-	-	-	-	-3,180
Dividends on retained earnings	-	-	-	-	-	-	-3,182
Directors' bonuses *	-	-	-	-	-	-	-314
Increase in retained earnings due to exclusion in consolidated subsidiaries	-	-	-	-	-	-	-55
Decrease in retained earnings due to increase in consolidated subsidiaries	-	-	-	-	-	-	-2
Net income	-	-	-	-	-	-	25,538
Acquisition of treasury stock	-	-	-	-	-	-	-101
Cancellation of treasury stock	-	-	-	-	-	-	318
Changes in items other than shareholders' equity (net)	3,376	1	4,219	7,596	73	-1,009	6,660
Total changes	3,376	1	4,219	7,596	73	-1,009	25,681
Balance at Mar. 31, 2007	57,427	216	5,419	63,063	73	9,244	413,141

*This item is the appropriation of earnings approved at the Annual General Meeting of Shareholders held in June 2006.

Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

Term	Current fiscal year	
	From 1 Apr. 2005 to 31 Mar. 2006	
Item	Amount	
(Capital surplus)		
I. Capital reserve at beginning of term		109,266
II. Increase in capital surplus		
Disposal of treasury stock	190	190
III. Capital surplus at end of term		109,456
(Retained earnings)		
I. Retained earnings at beginning of term		97,641
II. Increase in retained earnings		
1. Net income	20,229	
2. Increase due to exclusion of affiliates accounted for by equity method	6,945	27,174
III. Decrease in retained earnings		
1. Dividends	5,329	
2. Directors' bonuses	209	
3. Decrease due to increase in consolidated subsidiaries	369	5,908
IV. Retained earnings at end of term		118,909

4. Consolidated Statements of Cash Flows

(Millions of Yen)

Term Item	Current fiscal year	Prior fiscal year
	From 1 April 2006 to 31 March 2007	From 1 April 2005 to 31 March 2006
I. Operating activities		
1. Income (loss) before income taxes and minority interests	38,856	31,835
2. Depreciation and amortization	26,045	25,536
3. Loss on asset impairment	1,800	11,880
4. Gain on change in equity	-	-5,189
5. Loss on sales or disposal of property, plant and equipment	1,913	1,328
6. Decrease in allowance for retirement benefits	-3,103	-1,766
7. Interest and dividend income	-3,360	-3,668
8. Interest expense	2,110	2,460
9. Equity in losses (earnings) of affiliates	-1,414	-1,708
10. Decrease (increase) in accounts receivable	-19,994	-12,056
11. Decrease in inventories	-8,991	-4,872
12. Decrease in accounts payable	8,500	-3,215
13. Increase (decrease) in advances received	-1,370	-181
14. Directors' bonuses paid	-314	-209
15. Other	7,859	2,324
Subtotal	48,536	42,498
16. Interest and dividends received	3,673	4,092
17. Interest paid	-2,051	-2,646
18. Income taxes paid	-8,229	-5,676
Net cash (used in) provided by operating activities (1)	41,929	38,268
II. Investing activities		
1. Purchases of property, plant and equipment	-32,706	-24,088
2. Proceeds from sales of property, plant and equipment	2,872	2,322
3. Purchases of investment securities	-3,757	-6,168
4. Proceeds from sales of investment securities	1,039	47,122
5. Purchases of subsidiaries' shares due to change in scope of consolidation	-20,662	-1,498
6. Purchases of consolidated subsidiaries' shares from minority shareholders	-2,640	-595
7. Purchases of intangible assets and long-term prepaid expenses	-2,542	-2,727
8. (Increase) decrease in short-term loans, net	-1,551	1,002
9. Purchases of long-term loans	-27	-1,976
10. Proceeds from recovery of long-term loans	861	936
11. Other	13	517
Net cash (used in) provided by investing activities (2)	-59,100	14,847
III. Financing activities		
1. Increase (decrease) in short-term debt, net	-1,053	2,305
2. Increase (decrease) in commercial paper, net	3,000	-
3. Proceeds from long-term loans	18,632	256
4. Repayment of long-term loans	-14,017	-23,775
5. Proceeds of bonds	621	-
6. Repayment of bonds	-	-10,413
7. Dividends paid	-6,361	-5,328
8. Cash dividends paid to minority shareholders of consolidated subsidiaries	-272	-221
9. Payment of withholding tax on dividends for former shareholders of newly consolidated subsidiaries	-2,997	-
10. Proceeds from sales of treasury stock	3	5,534
11. Purchase of treasury stock	-100	-10,913
12. Other	60	1,133
Net cash used in financing activities (3)	-2,484	-41,421
IV. Effect of exchange rate changes on cash and cash equivalents (4)	783	345
V. Net (decrease) increase in cash and cash equivalents (1)+(2)+(3)+(4)	-18,873	12,039
VI. Cash and cash equivalents at beginning of term	44,629	30,927
VII. Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	212	1,662
VIII. Cash and cash equivalents at end of term	25,968	44,629

5. Segment Information**(1) Business segments**

Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)

(Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
I. Net sales:							
(1)To third parties	430,034	214,552	237,880	43,695	926,163	-	926,163
(2)Intersegment	436	11,923	7,591	5,989	25,940	(25,940)	-
Total	430,470	226,476	245,472	49,684	952,103	(25,940)	926,163
Operating expenses	416,132	215,187	224,784	50,548	906,653	(25,646)	881,006
Operating income (loss)	14,337	11,289	20,668	-863	45,451	(293)	45,157
II. Assets	181,637	172,482	247,494	45,120	646,735	232,417	879,153
Depreciation and amortization	5,367	5,647	12,566	1,640	25,222	823	26,045
Loss on asset impairment	582	-	-	-	582	1,218	1,800
Capital expenditures	6,383	8,610	19,076	1,605	35,675	661	36,337

Fiscal 2005 (Apr. 1, 2005 to Mar. 31, 2006)

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
I. Net sales:							
(1)To third parties	427,217	202,737	210,832	44,279	885,067	-	885,067
(2)Intersegment	403	11,334	7,472	6,800	26,010	(26,010)	-
Total	427,621	214,072	218,305	51,079	911,078	(26,010)	885,067
Operating expenses	412,928	203,661	200,807	53,505	870,903	(26,122)	844,780
Operating income	14,693	10,410	17,497	-2,425	40,175	112	40,287
II. Assets	175,247	160,475	191,467	47,132	574,323	234,033	808,357
Depreciation and amortization	5,533	5,523	11,776	1,687	24,520	1,015	25,536
Loss on asset impairment	11,869	11	-	-	11,880	-	11,880
Capital expenditures	5,892	6,199	14,304	1,430	27,827	520	28,348

Note: Company-wide assets included under eliminations or unallocatable accounts in assets were 288,073 million yen for the fiscal year under review, 293,079 million yen for the previous fiscal year. These amounts mainly consisted of items at the parent company such as cash and time deposits, long-term investments (investments in securities), and assets and deferred assets related to the Administrative Department.

(2) Geographical Segments

Fiscal 2006 (Apr. 1, 2006 to Mar. 31, 2007)

(Millions of yen)

	Japan	United States of America	Europe	Asia	Other	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	824,480	27,271	30,764	40,025	3,620	926,163	—	926,163
(2)Intersegment	26,835	1,039	3,217	2,442	87	33,623	(33,623)	—
Total	851,316	28,311	33,982	42,467	3,708	959,786	(33,623)	926,163
Operating expenses	814,432	26,523	30,843	39,630	3,352	914,782	(33,776)	881,006
Operating income	36,883	1,787	3,139	2,837	356	45,004	153	45,157
II. Assets	539,081	24,602	38,447	44,378	3,677	650,186	228,966	879,153

Fiscal 2005 (Apr. 1, 2005 to Mar. 31, 2006)

(Millions of Yen)

	Japan	United States of America	Europe	Asia	Other	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	798,572	22,848	28,459	32,239	2,947	885,067	—	885,067
(2)Intersegment	25,466	1,189	1,710	1,539	117	30,023	(30,023)	—
Total	824,039	24,037	30,169	33,778	3,064	915,090	(30,023)	885,067
Operating expenses	790,963	22,543	26,695	31,532	2,748	874,482	(29,702)	844,780
Operating income	33,076	1,494	3,474	2,245	315	40,607	(321)	40,287
II. Assets	473,615	18,931	31,458	31,882	3,646	559,533	248,824	808,357

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, China and Taiwan

Other --- Mexico and Australia

3. Please refer to the note in Business segments for the main items of company-wide assets included under eliminations or unallocatable accounts in assets.

(3) Overseas net sales

Fiscal 2007 (Apr. 1, 2006 to Mar. 31, 2007)

	United States of America	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	28,458	34,238	50,257	3,921	116,875
II Consolidated net sales (millions of yen)					926,163
III Overseas net sales as a ratio of consolidated net sales (%)	3.1	3.7	5.4	0.4	12.6

Fiscal 2005 (Apr. 1, 2005 to Mar. 31, 2006)

	United States of America	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	23,014	28,903	39,601	3,219	94,738
II Consolidated net sales (millions of yen)					885,067
III Overseas net sales as a ratio of consolidated net sales (%)	2.6	3.3	4.5	0.4	10.7

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, China and Taiwan

Other --- Mexico and Australia

3. Overseas sales is the sum of sales posted by the Company and its consolidated subsidiaries located in countries and regions outside Japan.