

Presentation of Financial Results for 3Q of FY2007

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Sekisui Chemical Co., Ltd.

January 31, 2008

(Billions of yen)

	1Q-3Q FY2007 Actual <small>From April 1, 2007 to Dec. 31, 2007</small>	1Q-3Q FY2006 Actual <small>From April 1, 2006 to Dec. 31, 2006</small>	Difference
Sales	697.2	674.2	22.9
Operating Income	24.5	30.3	-5.7
Recurring Income	25.6	32.5	-6.9
Net Income	20.8	16.0	4.8

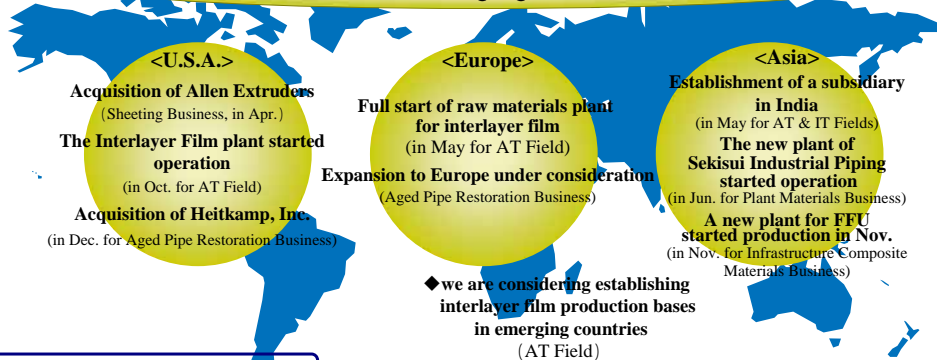
(Billions of yen)

	3Q FY2007 Actual From Oct. 1, 2007 to Dec. 31,2007		3Q FY2006 Actual From Oct. 1, 2007 to Dec. 31,2007		Difference	
	Sales	Operating Income	Sales	Operating Income	Sales	Operating Income
Housing	95.1	-0.5	106.9	2.8	-11.9	-3.2
UIEP	56.1	0.6	57.2	2.7	-1.1	-2.1
HPP	71.7	7.1	67.0	6.1	4.7	1.0
Others	11.6	-0.6	11.5	-0.5	0.0	-0.1
Eliminated or Not Attributed	-5.1	-0.0	-5.8	-0.0	0.7	-0.0
Total	229.3	6.7	236.9	11.1	-7.6	-4.4

*UIEP: Urban Infrastructure & Environmental Products Company
*HPP: High Performance Plastics Company

Expanding Businesses in the Overseas Frontiers

Sales of Overseas Business in 1Q-3Q FY2007 was 135% vs. P.Y.



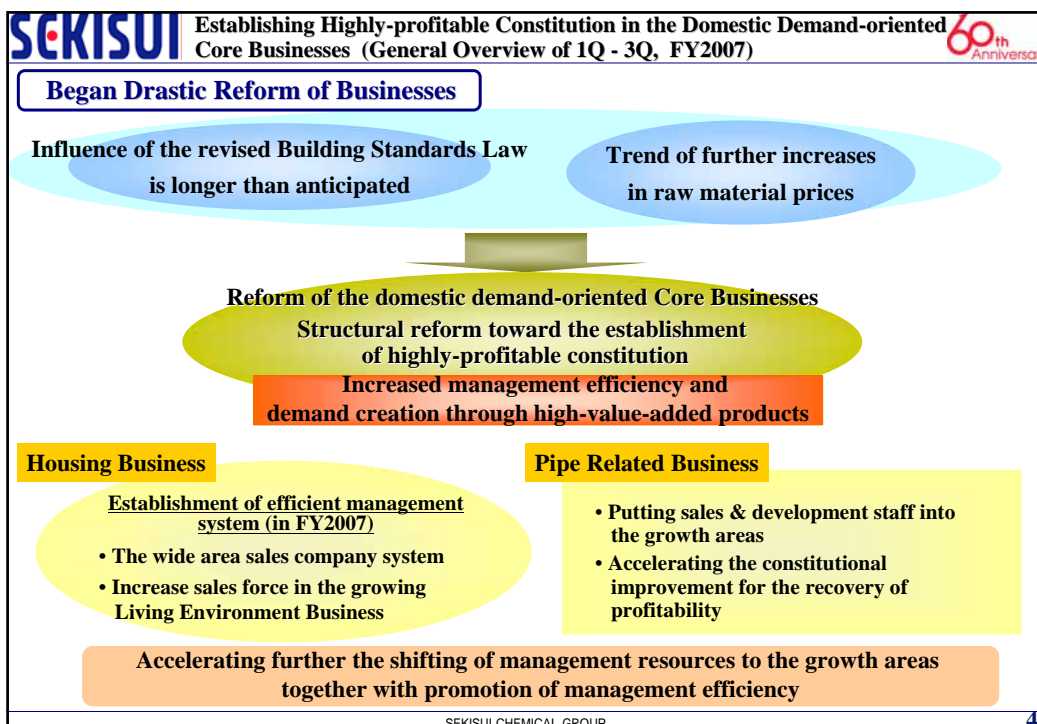
Expanding Strategic Businesses

- HPP expanding in the 3 Strategic business fields (AT, IT, MD)
- Growth and higher profitability in Living Environment Business

Sales in 3Q, 2007 111% vs. P.Y.

Increasing sales force by 130 staff (During FY2007)

Further acceleration in the opening up of the Frontiers of Growth driven by high-value-added products



SEKISUI **FY2007 Revised Plan** 60th Anniversary

(Billions of yen)

	FY2007 Revised Plan		FY2006 Actual		Difference		FY2007 Previous Plan	
	From April 1, 2007 to Mar. 31, 2008		From April 1, 2006 to Mar. 31, 2007					
	Sales	Ope. Income	Sales	Ope. Income	Sales	Ope. Income	Sales	Ope. Income
Housing	422.0	15.0	430.5	14.3	-8.5	0.7	431.0	17.0
UIEP	238.0	7.0	226.5	11.3	11.5	-4.3	240.0	10.0
HPP	280.0	25.0	245.5	20.7	34.5	4.3	280.0	25.0
Others	47.0	-1.5	49.7	-0.9	-2.7	-0.6	49.0	-2.0
Eliminated or Not Attributed	-27.0	-	-25.9	-0.3	-1.1	0.3	-30.0	-
Total	960.0	45.5	926.2	45.2	33.8	0.3	970.0	50.0

SEKISUI CHEMICAL GROUP .5

Business Expansion

Further reinforcement of 3 strategic business fields

AT: Business favorable centered primarily on interlayer film and molded plastic products

Increasing and expanding the production bases

- Interlayer film plant in North America [Operation started in Oct. 2007]
- Aichi Plant for molding plastics (car interiors & exteriors) [Operation to be started in Apr. 2008]

IT: Slower growth in the liquid crystal related materials due to static demand

MD: Accelerating growth by concentrating management resources in the diagnostic areas

Overseas business is favorably expanding

Overseas Sales: 28.5 billion yen in 3Q FY2007
(124% vs. P.Y.)

Responding to Structural Reform and High Cost of Raw Materials

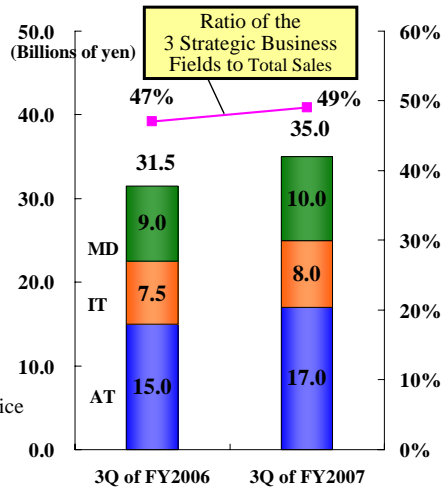
Promoting the structural reform of business

• For eliminating unprofitable products, accelerating the price increase, CR and the integration of product categories

Responding to the high-priced raw materials

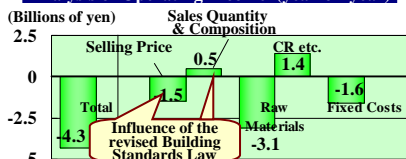
• Promoting the quick shifting to selling price and the CR against the soaring raw material price

Sales Trends in the Strategic Business Fields



Restructuring for High-profit Earning Constitution

Revised Annual Plan for FY2007 Analysis of Operating Income (year-on-year)



The 4th Quarter

Maintaining the selling price and strictly managing CR
Accelerating the drastic reform of business

Opening up Frontiers of Growth

Accelerating global operation

Aged pipe restoration: The acquisition of the piping work company in U.S.A.
Plant Materials business: Expanding the sheet business in U.S.A.

Overseas sales: 7.2 b. yen in 3Q, 2007(167% vs. P.Y.)

Putting new products of great promise on the market

Fire-resistant VP pipe, PhenovaBoard,
Ultra Low Expansion Rain Gutter Reinforced by Super Stretched Sheet

Sales and Operating Income Trends by Business Portfolio

Portfolio			(Billions of yen)			
			FY2007		Difference year-on-year	
			3Q	Revised Annual Plan	3Q	Annual
Core	Water Supply & Drainage, Building Materials, Home-Techno	Sales	34.8	143.6	-3.0	-4.4
		Op. Income	1.2	6.1	-1.9	-4.8
Growth	Environmental Civil Engineering (Aged pipe restoration)	Sales	1.6	10.7	0.1	0.2
		Op. Income	-0.4	0.3	0.2	0.1
Expansion	Plant Materials, Composite Materials for Infrastructure	Sales	10.5	44.3	1.9	11.8
		Op. Income	0.9	4.8	-0.2	0.8
Strengthening Foundations	Aqua System, Roofing Materials	Sales	4.0	19.8	-0.5	-1.1
		Op. Income	-0.2	0.0	0.1	0.3

Increase in Order-taking of High-performance Housings

Housing order intake in structures was 102 % vs. P.Y. in 3Q, 2007

- Keeping competitive position by appealing high added value (quake resistance; Zero utility cost; changeable design) + "Warm Airy"
- The order-taking situation in Tokyo and Osaka regions is on the way to recovery
 - Intensively allocating exclusive sales staff (apartments and condominiums etc.) at the places of demand under the wide area sales companies

The positive impact of the wide area sales company system in Tokyo and Osaka becomes increasingly evident
Complete differentiation by "Warm Heim" campaign

Enhancing Profitability in Living Environment Business

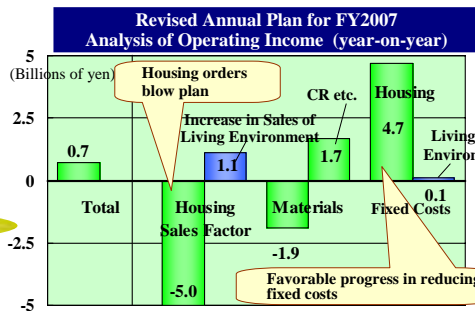
- Increase in sales of major items (Tiled exterior wall, Kitchen etc.)
- Order-taking of major items was 115% vs. P.Y. in 3Q, 2007
- Promotion of the earliest possible utilization of the shifted personnel in actual sales activities

Drastic Implementation of Efficient Management

- Completion of the efficient management system in Tokyo and Osaka.
 - Staff decrease of 250 mainly from indirect service
 - Personnel shift to Living Environment Business
 - Reorganization of exhibition places
- Reduction in fixed costs in production companies and affiliated companies

220 staff decrease (During 3Q FY2007)

Realizing the effect from promoting efficiency in FY 2008



Financial Results for 3Q of FY2007

Number of Consolidated Companies

	As of Dec. 31, 2007	As of Mar. 31, 2007	Difference
Consolidated Subsidiaries	132	147	+4 Newly consolidated +1 Separated -2 Excluded -18 Integration
Companies under Equity Method	8	8	

Influence of Changes in the Number of Consolidated Companies

(Billions of yen)

Sales	+19.1	Daiichi Pure Chemicals +11.9 Watanabe Sansho +3.7, Allen +2.3
Operating Income	+0.8	Daiichi Pure Chemicals +0.5 Allen +0.3

Note: Influence on Sales and Operating Income for 1Q-3Q period

Summary of Profit and Loss

(Billions of yen)

	1Q-3Q FY2007	1Q-3Q FY2006	Difference
Sales	697.2	674.2	22.9
Gross Income of Sales	198.3	197.5	0.8
Gross Income Rate	28.5%	29.3%	-0.8%
Selling, Gen. & Admin. Expenses	173.8	167.2	6.6
Operating Income	24.5	30.3	-5.7
Investment Income by Equity Method	0.1	0.9	-0.8
Other Non-operating Income & Expenses	1.0	1.4	-0.3
Recurring Income	25.6	32.5	-6.9
Extraordinary Income	23.6	-	23.6
Extraordinary Expenses	12.2	3.3	8.8
Income before Income Taxes	37.1	29.1	7.9
Corporate Income Tax etc.	15.9	12.8	3.2
Minority Interests	0.4	0.4	-0.0
Net Income	20.8	16.0	4.8

3.8 *

* Excluding the influence from Newly consolidated subsidiaries

Sales and Operating Income by Company

(Billions of yen)

	3Q FY2007 Actual From Oct. 1, 2007 to Dec. 31, 2007				1Q-3Q FY2007 Actual From Apr. 1, 2007 to Dec. 31, 2007			
	Sales	Difference	Ope. Income	Difference	Sales	Difference	Ope. Income	Difference
Housing	95.1	-11.9	-0.5	-3.2	305.9	-13.1	5.8	-4.2
UIEP	56.1	-1.1	0.6	-2.1	165.1	6.1	2.0	-3.3
HPP	71.7	4.7	7.1	1.0	208.9	29.6	18.7	2.7
Others	11.6	0.0	-0.6	-0.1	34.7	-1.4	-1.7	-0.9
Eliminated or Not Attributed	-5.1	7.0	-0.0	-0.0	-17.4	1.8	-0.2	1.0
Total	229.3	-7.6	6.7	-4.4	697.2	22.9	24.5	-5.7

Note: Difference vs. same period P.Y.

*UIEP: Urban Infrastructure & Environmental Products Company

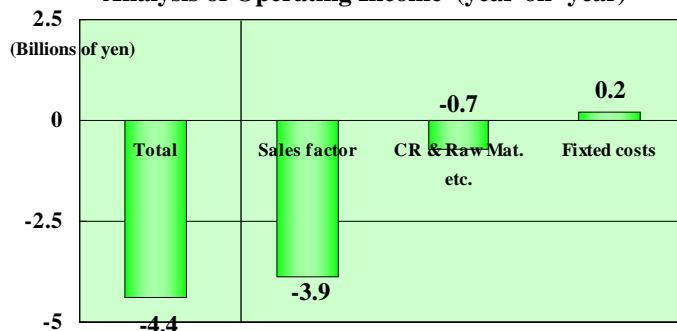
*HPP: High Performance Plastics Company

(Billions of yen)

	3Q FY2007		3Q FY2006		Difference	
	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.
Total Company	229.3	6.7	236.9	11.1	-7.6	-4.4
					<i>* -10.5</i>	

* Excluding the influence from Newly consolidated subsidiaries

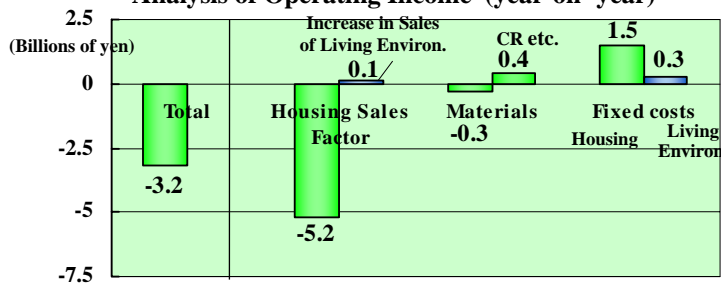
Analysis of Operating Income (year-on-year)



(Billions of yen)

Housing	3Q FY2007		3Q FY2006		Difference	
	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.
House Sales	72.7	-0.9	84.7	2.7	-12.1	-3.6
Living Environment [Fami-S only]	22.4 [15.6]	0.4 [0.4]	22.2 [15.6]	0.0 [0.2]	0.2 [0.0]	0.4 [0.2]
Total	95.1	-0.5	106.9	2.8	-11.9	-3.2

Analysis of Operating Income (year-on- year)

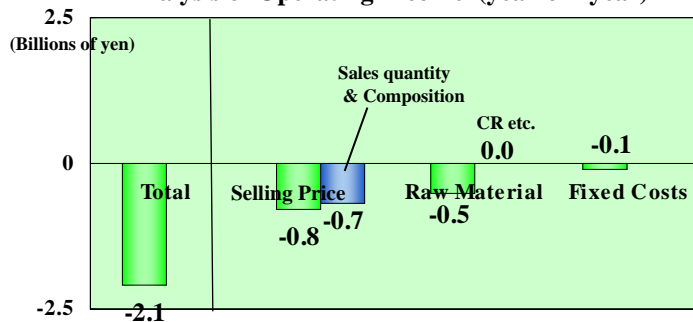


(Billions of yen)

	3Q FY2007		3Q FY2006		Difference	
	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.
UIEP	56.1	0.6	57.2	2.7	-1.1	-2.1
					* -3.6	

* Excluding the influence from Newly consolidated subsidiaries

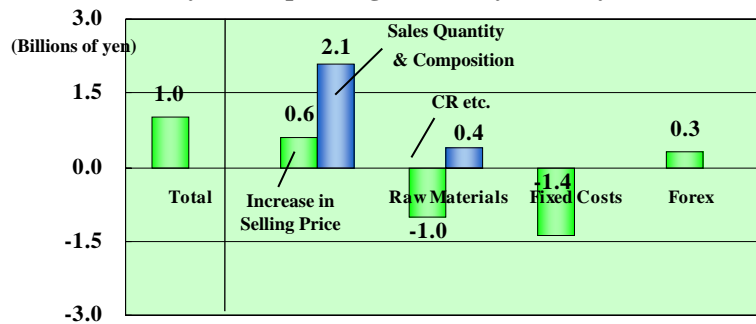
Analysis of Operating Income (year-on- year)



(Billions of yen)

	3Q FY2007		3Q FY2006		Difference	
	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.
HPP	71.7	7.1	67.0	6.1	4.7 *4.3	1.0

* Excluding the influence from Newly consolidated subsidiaries

Analysis of Operating Income (year-on- year)

Non-operating Income and Expenses

(Billions of yen)

	1Q-3Q FY2007	1Q-3Q FY2006	Difference	Remarks on Main Difference
Investment Income by Equity Method	0.1	0.9	-0.8	
Financial Income and Expenses	2.1	1.8	0.2	Received 0.3 (Sekisui House 0.1) Paid -0.3
Miscellaneous Income and Expenses etc.	-1.0	-0.5	-0.5	Misc. Income -0.7 Misc. Expense 0.2
Total	1.1	2.2	-1.1	

Extraordinary Income and Expenses

(Billions of yen)

	1Q-3Q FY2007	1Q-3Q FY2006	Difference
Gain on Sale of Investments in Securities	23.1	-	23.1
Proceeds from Business Transfer	0.5	-	0.5
Total Extraordinary Income	23.6	-	23.6
Structural Improvement Expenses	7.6	1.0	6.6
Loss on Revaluation of Inventories (Lower-of-Cost-or-Market Method)	3.1	-	3.1
Loss on Asset Impairment	-	1.2	-1.2
Loss on Sale or Disposal of Property, Plant and Equipment	1.5	1.2	0.4
Total Extraordinary Expenses	12.2	3.4	8.8
Total Extraordinary Income and Expenses	11.4	-3.4	14.8

Balance Sheets (Assets)

(Billions of yen)

	3Q FY2007 As of Dec. 31, 2007	FY2006 As of Mar. 31, 2007	Difference
Cash & Deposits	27.4	26.1	1.4
Account Receivable on Sales	171.0	176.7	-5.7
Inventories	121.2	109.3	11.9
Other Current Assets	34.5	28.9	5.6
Tangible Fixed Assets	246.7	245.5	1.2
Intangible Fixed Assets	28.4	25.3	3.1
Investment Securities	145.3	249.4	-104.1
Investments & Other Assets	28.5	18.0	10.5
Total Assets	803.1	879.2	-76.1

 Product inventories +3.0
 Land for sale +3.3
 Houses in process +2.4
 Materials +1.2

Goodwill +2.0

 Sellout of Sekisui House
 stocks -55.0
 Revalued at market price
 -45.2

 Deferred income taxes +12.2
 [Revalued at market price
 +12.4]

Balance Sheets (Liabilities & Net Assets)

(Billions of yen)

	3Q FY2007 As of Dec. 31, 2007	FY2006 As of Mar. 31, 2007	Difference	
No Interest Bearing Liabilities	316.7	354.7	-38.0	Deferred tax liabilities -16.4 Sellout of Sekisui House stocks -9.8 Revalued at market price -7.3
Interest Bearing Liabilities	107.1	111.3	-4.2	
Total Liabilities	423.8	466.0	-42.2	
Capital Stock etc.	209.4	209.4	-0.0	Net income +20.7 Dividends paid -7.9
Retained Earnings	150.5	137.7	12.8	
Unrealized Holding Gain on Securities	13.7	57.4	-43.8	Sellout of Sekisui House stocks -14.5 Revalued at market price -29.3
Minority Shareholders' Interests	9.6	9.2	0.4	
Other Net Assets	-4.0	-0.7	-3.3	
Total Net Assets	379.2	413.1	-33.9	
Total Liabilities, Net Assets	803.1	879.2	-76.1	

Consolidated Cash Flows

(Billions of yen)

	1Q-3Q FY2007	1Q-3Q FY2006
Cash Flow from Operating Activities	-4.6	12.1
Cash Flow from Investing Activities	21.6	-50.0
Cash Flow from Financing Activities	-17.6	19.4
Net Increase (Decrease) in Cash & Cash Equivalents	-0.3	-18.2
Cash & Cash Equivalents at End of Term	27.3	26.6
Free Cash Flow = Cash Flow from Operating Activities + Cash Flow from Investing Activities - Dividend Paid	8.9	-44.6

(Billions of yen)

	FY2007 Revised Plan	FY2006 Actual	Difference	FY2007 Previous Plan
Sales	960.0	926.2	33.8	970.0
Operating Income	45.5	45.2	0.3	50.0
Recurring Income	45.0	46.9	2.5	50.5
Net Income	29.0	25.5	2.6	34.5

Dividend (yen / share)	15	14	1	15
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Disclaimer: This presentation may contain forward-looking statements. Such forward-looking statements are based on current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements due to changes in global economic, business, competitive market and regulatory factors.

Housing Company Results and Plan

1. Main data in Housing business

	FY2007				FY2006				FY2005 Annual
	FH	3Q	SH Plan	Annual Plan	FH	3Q	SH	Annual	
Consolidated									
Sales (Billions of yen)	210.8	95.1	211.2	422.0	212.1	106.9	218.4	430.5	427.6
Housing	165.3	72.7	163.4	328.7	166.7	84.7	173.0	339.7	347.7
Houses	158.0	69.4	157.2	315.2	160.4	81.8	165.7	326.1	336.7
Land	7.3	3.2	6.2	13.5	6.3	2.9	7.3	13.6	11.0
Living environment	45.5	22.4	47.8	93.3	45.4	22.2	45.4	90.7	79.9
Refurbishing	31.4	15.6	32.1	63.5	30.8	15.6	30.9	61.8	53.6
Interior-Exterior	3.0	1.1	2.7	5.7	2.9	1.2	2.9	5.8	5.8
Real estate	11.2	5.7	13.0	24.2	11.6	5.4	11.6	23.2	20.5
Others									
1. Number of houses sold (Housing units)	6,900	2,880	7,600	14,500	7,050	3,380	7,950	15,000	15,850
Detached houses	5,000	2,500	5,200	10,200	5,320	2,800	5,500	10,820	11,580
Heim	4,000	1,980	4,150	8,150	4,220	2,190	4,250	8,470	8,690
Two-U	1,000	520	1,050	2,050	1,100	610	1,250	2,350	2,890
Apartments	1,900	380	2,400	4,300	1,730	580	2,450	4,180	4,270
2. Main data									
Price <Sales subsidiaries: Detached Ho.> / unit (Mil. yen)	29.3	29.2	-	-	29.2	29.3	29.8	29.5	29.2
Price <Sales subsidiaries: Detached Ho.>/Tsubo(3.3 m ²) (Thou. yen)	735	728	-	-	706	718	730	716	703
Floor space (m ²)	131.6	132.4	-	-	136.4	134.6	134.8	135.9	137.1
Exhibition places (Unit: Structure)	455	435	-	435	474	469	-	465	474
Sales staff (No. of person)	2,536	2,464	-	2,440	2,505	2,464	-	2,419	2,467
Rebuilding ratio (%)	36	35	37	37	38	35	37	37	39
Referral sales ratio (%)	35	33	34	34	36	34	33	34	34

* Rebuilding ratio and Referral sales ratio are based on the receipt of orders.

2. Housing order achievement

(Millions of yen)

	FY2007				FY2006				FY2005		
	FH	3Q	SH Plan	Annual Plan	FH	3Q	SH	Annual	FH	SH	Annual
Backlog at beginning	150,000	144,300	144,300	-	151,500	156,700	156,700	-	169,900	153,300	-
Growth rate	-1%	-8%	-8%	-	-11%	+2%	+2%	-	+5%	-8%	-
New orders	186,646	90,548	192,899	379,545	199,356	86,587	192,829	392,184	184,875	192,827	377,701
Growth rate	-6%	+5%	0%	-3%	+8%	-1%	0%	+4%	-8%	-6%	-7%
Sales of houses	192,346	86,148	191,999	384,345	194,156	98,587	199,529	393,684	201,475	194,627	396,101
Growth rate	-1%	-13%	-4%	-2%	-4%	+4%	+3%	-1%	+3%	-4%	-1%
Balance at the end	144,300	148,700	145,200	-	156,700	144,700	150,000	-	153,300	151,500	-
Growth rate	-8%	+3%	-3%	-	+2%	-1%	-1%	-	-8%	-11%	-

3. Housing starts **Housing starts** and "Privately-owned houses" for 3Q of FY2007 are based on publicly available forecast. (Housing units)

	FY2007				FY2006				FY2005 Annual
	FH	3Q	SH Plan	Annual Plan	FH	3Q	SH	Annual	
Housing starts*	533,288	247,000	484,712	1,018,000	664,521	341,658	620,725	1,285,246	1,249,366
Privately-owned houses* (included in above)=A	162,831	79,500	152,169	315,000	197,460	85,704	158,240	355,700	352,577
Sales by our company	6,900	2,880	7,600	14,500	7,050	3,380	7,950	15,000	15,850
Detached house sales by our co.=B	5,000	2,500	5,200	10,200	5,320	2,800	5,500	10,820	11,580
Our share in Detached houses=B/A	3.1%	3.1%	3.4%	3.2%	2.7%	3.3%	3.5%	3.0%	3.3%

4. Ratio of Houses with High-Performance Specifications

	FY2007				FY2006				FY2005 Annual
	FH	3Q	SH Plan	Annual Plan	FH	3Q	SH	Annual	
Photovoltaic generation systems installed	43%	43%	44%	43%	53%	49%	48%	51%	52%
Tiled exterior wall (Heim type JX)	55%	51%	51%	53%	54%	57%	54%	55%	54%
All electric model	87%	87%	90%	88%	86%	88%	88%	87%	84%
Warm Airy	46%	53%	63%	54%	39%	54%	55%	49%	13%