

# Presentation of Financial Results for 2Q of FY2008

(Fiscal Year Ending March 31, 2009)

**Sekisui Chemical Co., Ltd.**  
**Naotake Okubo, President**

**28 October, 2008**

## SEKISUI FY2008 The First-half Results

### Summary of Profit and Loss

(Billions of yen)

	FY2008 FH Actual	FY2007 FH Actual	Difference	FY2008 FH Plan	Difference from the Plan
Net Sales	472.9	467.8	5.1	468.0	4.9
Operating Income	18.3	17.9	0.4	19.0	-0.7
Recurring Income	19.2	18.5	0.6	19.0	0.2
Net Income	9.5	17.9	-8.4	8.0	1.5

Dividend (yen / share)	7	7	0	7	0
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# SEKISUI FY2008 The First-half Results

## Net Sales & Operating Income by Company

(Billions of yen)

	FY2008 FH Actual		FY2007 FH Actual		Difference		FY2008 FH Previous Plan	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
Housing	211.9	8.6	210.8	6.2	1.1	2.4	208.0	8.0
UIEP	109.2	-0.3	109.0	1.4	0.2	-1.7	110.0	-0.5
HPP	141.2	10.7	137.3	11.6	3.9	-0.9	141.0	12.5
Others	23.0	-0.6	23.1	-1.2	-0.1	0.6	23.0	-1.0
Eliminated or Not Attributed	-12.3	-0.2	-12.3	-0.2	0.0	-0.0	-14.0	0.0
<b>Total</b>	<b>472.9</b>	<b>17.3</b>	<b>467.8</b>	<b>17.9</b>	<b>5.1</b>	<b>0.4</b>	<b>468.0</b>	<b>19.0</b>

\*UIEP: Urban Infrastructure & Environmental Products Company

\*HPP: High Performance Plastics Company

SEKISUI CHEMICAL GROUP

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# SEKISUI FY2008 Annual Plan

## Net Sales & Operating Income by Company

(Billions of yen)

	FY2008 Revised Plan		FY2007 Actual		Difference		FY2008 Previous Plan	
	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.	Sales	Ope. Inc.
Housing	436.0	20.0	420.0	14.1	16.0	5.9	428.0	20.0
UIEP	243.0	5.0	233.8	6.1	9.3	-1.1	245.0	7.5
HPP	294.0	24.5	280.5	24.5	13.5	0.0	295.0	28.0
Others	50.0	-2.0	48.5	-1.4	1.5	-0.6	49.0	-1.5
Eliminated or Not attributed	-27.0	-	-24.1	-0.3	-2.9	0.3	-28.0	-
<b>Total</b>	<b>996.0</b>	<b>47.5</b>	<b>958.7</b>	<b>43.0</b>	<b>37.3</b>	<b>4.5</b>	<b>989.0</b>	<b>54.0</b>

	FY2008		FY2007		Difference		FY2008 Previous Plan	
	FH	SH Plan	FH	SH	FH	SH	FH	SH
Dividend (yen / share)	7	8	7	8	0	0	7	8

SEKISUI CHEMICAL GROUP

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## ■ Recovery of the housing orders

- Successful differentiation achieved by appealing the high performance features
- Realization of good effect by the wide-area sales system introduced in FY2007

Housing orders received in number of structures : FH2008 105% year-on-year  
Ratio of installation of photovoltaic generation systems FH2008: 50%

## ■ Hard struggling caused by the deteriorated business environment at domestic and abroad

- The continued soaring in raw materials price compressed the profitability beyond our assumption
- The hardship in securing quantity caused by the decreased demands for construction and IT etc.

Delay in price-shifting in certain businesses and products against the soaring raw materials prices

## ■ Positive implementation of strategic investments

- Progressing the positive expansion of strategic business fields
- Progressing the basis-development for exploiting the new frontiers of growth

Interlayer film business:  
Decision on the increase of production capacity in Japan and China  
Pipe restoration business:  
Acquired the company of pipe restoration business in Europe (July)

## Reinforcing Profitability under the Severe External Environment

- **Complete shifting of the rises price of raw materials to the selling price**
- **Intensive reduction of costs by the Manufacturing Development Innovation**
  - Realizing the cost reduction of 7 billion yen (prospect for FY2008) by means of multiple activities: “productivity improvement”, “quality improvement” and “Elimination of claims & construction mistakes”
- **Fixed cost reduction by promoting the structural reform & the streamlining of organization**
  - Personnel reduction & shifting to growth fields and implementing the elimination and integration of sales bases (UIEP)
  - Starting the unified management of production & sales in Kyushu (Oct. Housing)
  - Retiring from the low-profitability business (Oct. HPP)

## Making Strategic Moves and Further Growth for Priority Expansion of High Value Added Businesses

- **Increasing the market share by expanding sales of high-performance housing**
  - Housing order-taking in number of structures for SH of FY2008 is to be 100% year-on-year
  - Putting on market the new houses pursuing highly-industrialized specifications in the name of “CRESCASA”
- **Reinforcing the world-wide basis of the pipe restoration business and materializing the business**
  - Structuring the world-wide value-chain by acquiring the European enterprise.; Realizing the synergy with SPR Americas and SPR Americas and Heitkamp.
- **Further expansion of interlayer film business, and entering into overseas markets with medical business**
  - Further increase in sales of high-performance interlayer film with new products
  - Structuring the basis for overseas expansion of ADME & Tox. research business
- **Decision of increasing the production capacity of the IT related products (High value-added tape & film)**
  - Establishing the new production base (Taga Plant) for the clean sheet & film for optical and electronics fields

## Prospect for FY2008

We will maintain and enhance the profitability, despite the influence of highly-priced raw materials and the deterioration of market in and out of Japan (Building related and IT-related business)

**AT:** In the decrease in automotive production, the interlayer film business has been favorably expanded owing to the effect of the increased production capacity.

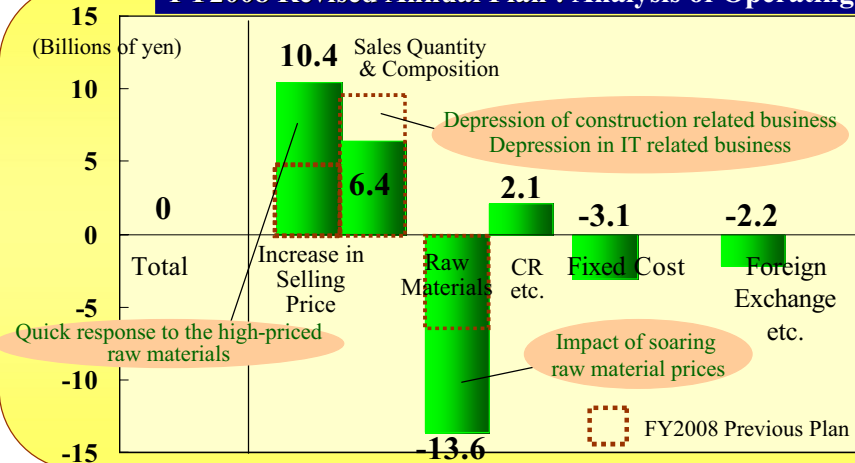
However, the profitability came down under the influence of high-priced raw materials.

**IT:** Even under the influence of the deteriorated liquid-crystal market situation we secured the sales turnover on the same level as previous year, owing to the increase in sales of the growth-expected products.

**MD:** Profitability was improved by selection and concentration.

Diagnostics reagent remained on the same level, and Pharmaceuticals and ADME & Tox. research showed the growth.

### FY2008 Revised Annual Plan : Analysis of Operating Income (year-on-year)



### Reinforcing profitability

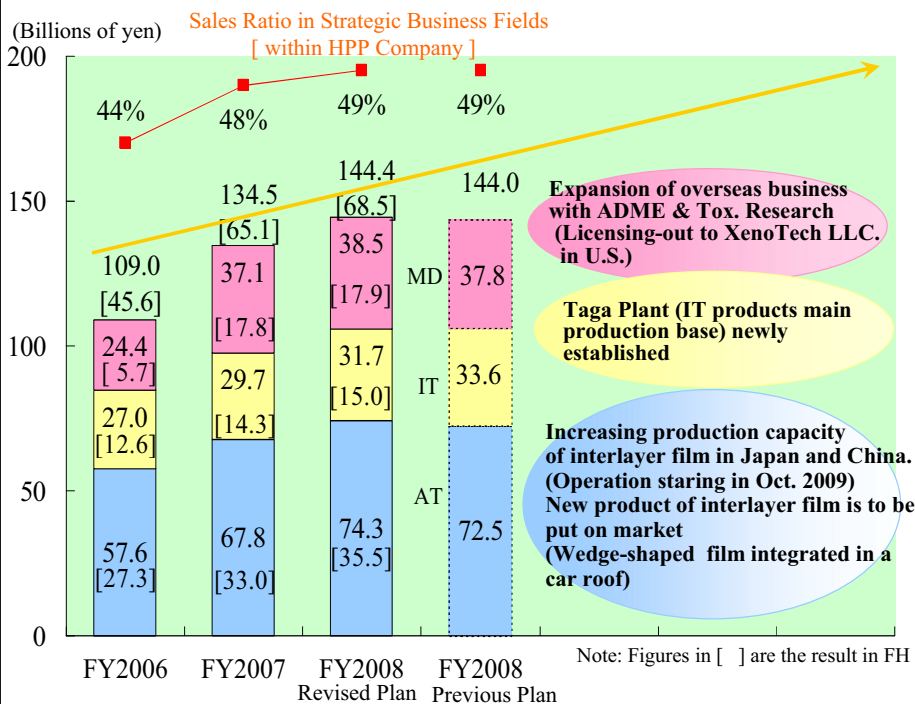
- Strict implementation of product price increase
- Strengthening the purchasing power

### Strict implementation of the structural reform of low-profit businesses

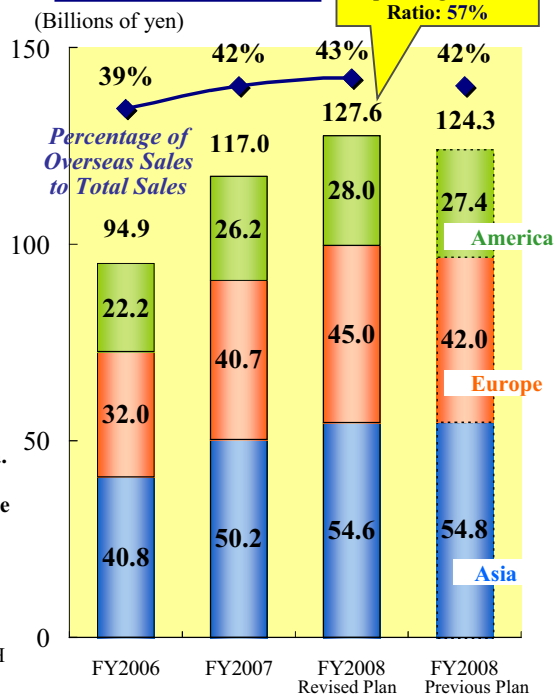
- Transfer of Sign System business
- Expanding the high-valued products

## Business Expansion

### Sales in the Strategic Business Fields



### Overseas Sales



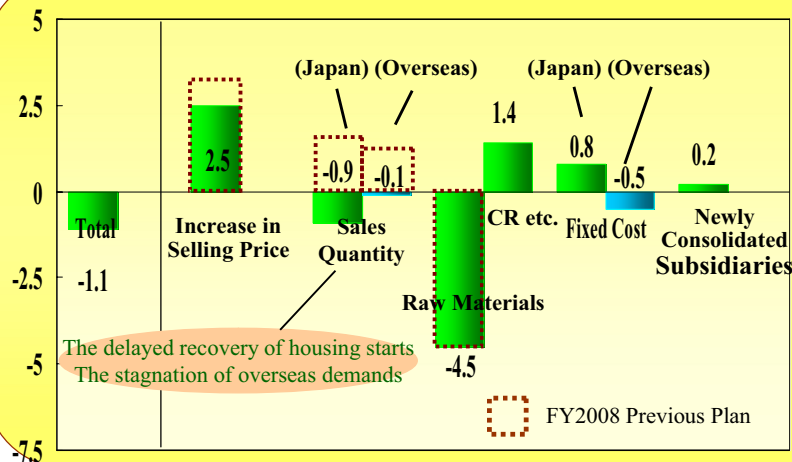
Priority expansion of high-value-added products. Further exploitation of growth frontiers.

### Prospect for FY2008

Despite severe environment for attaining the quantity due to the delayed housing starts recovery, the stagnant demand in the world recession, we are reinforcing the profit earning constitution by promoting efficiency.

- We had hard fights of sales quantity in mainly core business by the delayed housing starts recovery
- Against the soaring raw material prices in the FH, the shifting to the selling price was delayed in the general purpose PVC products.
- As a result of acquiring the pipe restoration business company in Europe, each of the companies in the three priority business fields attained the sale turnover on the level of 10 billion yen in terms of annual sales.

#### FY2008 Revised Annual Plan : Analysis of Operating Income (year-on-year)



#### Reinforcing the profitability of domestic business

- Completion of price increase
- Finishing-up of the structural reformation  
Reorganization of sales system and Personnel shift to the growth areas
- Expansion of the growth products
- Accelerating the exploitation of the growth frontiers
- Stronger-tackling the Stock Business
- Effective utilization of the acquired basis (M&A)

### Promotion of Portfolio Reformation

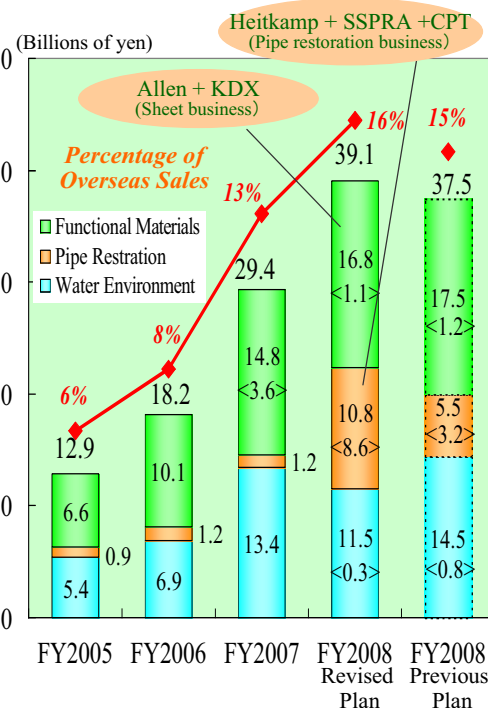
#### Net Sales and Operating Income Plan by Portfolio

(Billions of yen)

Portfolio			FY2008			FY2007		Difference from Previous Year	
			FH	Revised Annual Plan	Previous Annual Plan	FH	Annual	FH	Revised Annual Plan
Core	Water Supply & Drainage, Building Material, Home Techno	Sales	66.1	141.9	143.7	68.8	140.8	-2.7	1.1
		Ope. Income	0.5	2.9	5.1	2.5	4.8	-2.0	-1.9
Growth	Environmental Civil Engineering (Aged pipe restoration)	Sales	5.2	22.6	17.3	3.2	10.8	2.0	11.8
		Ope. Income	-1.0	0.9	0.8	-0.7	0.4	-0.3	0.6
Expansion	Plant Materials (Sheet Business etc.) Infrastructure Composite Materials (RCP•FFU etc.)	Sales	20.9	42.7	45.7	18.6	43.2	2.4	-0.5
		Ope. Income	1.9	4.8	5.1	1.8	5.1	0.0	-0.3
Strength-ening Bases	Aqua System, Roofing Materials	Sales	9.0	20.4	20.4	8.8	19.9	0.2	0.5
		Ope. Income	0.0	0.3	0.3	-0.1	0.1	0.1	0.2

#### Overseas Sales

<> Effect by newly consolidated subsidiaries



#### Pursuing the M&A synergy

# SEKISUI Housing Company-1

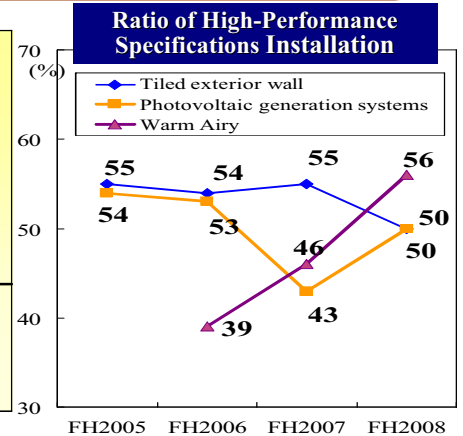
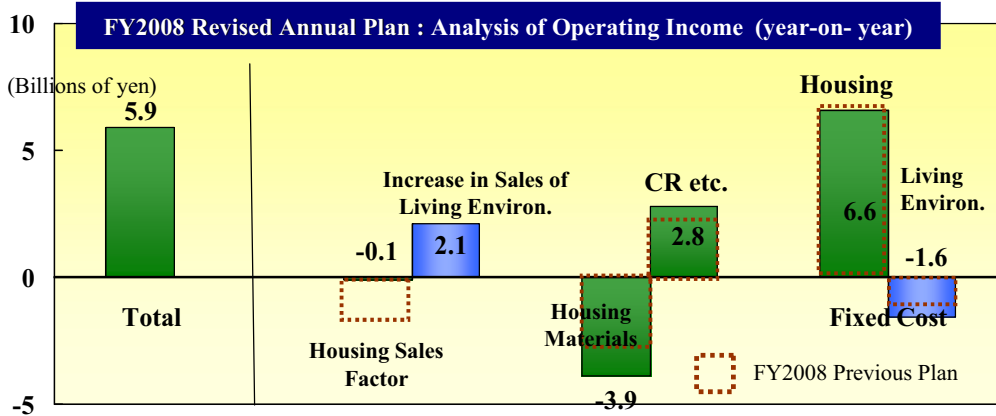
## Prospect for FY2008

**FH** Housing orders (structures): 105% year-on-year  
 Living Environment business Sales: 107% year-on-year

**SH** Housing orders (structures): 100% year-on-year  
 Living Environment business Sales: 107% year-on-year

Housing orders was favorable in FH, therefore annual operating income plan may be achievable

- Further implementing the differentiation by appealing high performance features
  - FH Actual: Ratio of houses with photovoltaic generation systems 129% year-on-year
  - SH Plan: Warm Airy 104% year-on-year
- Capturing deeply into the price volume zone
  - FH: Newly launched models "bj new" and "Grand To You WS" enjoying with good reputation
  - SH: The new model to be on market "CRESCASA" aiming at the order increment
- Growth of Living Environment business and further improvement in profitability
  - FH Actual: Sales of priority materials 114% year-on-year
  - SH Plan: Sales of priority materials 116% year-on-year



# SEKISUI Housing Company-2

## Strategies for capturing orders for SH2008

### <Prospect on Market Environment>

- The market may remain stagnant mainly in the rebuilding of houses.
- The customers' desire for houses may probably step back due to the lack in incentives and the unfavorable business outlook.  
 (The anxiety over the future, caused by the increasing financial crises originated in USA, and the depression of real estate business)

Targeted Market	"The Warm-Heim Campaign" will be expanded and implemented from Nov. 2008 to Feb. 2009		
	Products Strategy		Specs. for Differentiation
<b>Demand Creation</b> Rebuilding	Thoroughly implementing the differentiation with the high performance	'Parfait' series "Domani" series "Desio" series	"Grand To You" series Parfait MasterDesign 2.0 Warm Airy Zero Utility Cost
<b>Increasing our share by capturing the volume zone</b> New Construction	"The products giving customers the feeling of cost-performance" The lineups completed	"bj new" (launched in Apr.) "bj" series FH 117% year-on-year "Grand To You WS" (launched in May) "Grand To You" series FH 130% year-on-year Highly Industrialized Product "CRESCASA" on sale throughout Japan in Oct.	CRESCASA Warm Airy "Make it visible" Indicating Performance of each house
Complex Housing	Reinforcing the sales system with exclusive staff	High performance apartments, LETOIT series	New model for apartment; "Letoit Duet" (Launched in Sep.) Tiled exterior wall

# The Financial Results for the First Half of FY 2008

**Naofumi Negishi**

**Director , CFO**

## SEKISUI FH2008 Financial Results

### Number of Consolidated Subsidiaries

	As of Sep. 30, 2008	As of March 31, 2008	Difference
Consolidated Companies	130	130	+2 Newly consolidated subsidiaries -2 Separated, Integration
Affiliates	8	8	

### Influence of Difference in the Number of Consolidated Subsidiaries

(Billions of yen)

Net Sales	+2.2	Allen +1.1 [consolidated from 2Q of FY2007], Heitkamp +1.1
Operating Income	-0.2	Heitkamp -0.2

Note: Influence on net sales and operating income for FH2008

**Summary of Profit and Loss**

(Billions of yen)

	FH2008	FH2007	Difference	
<b>Net Sales</b>	472.9	467.8	5.1	*2.9
Gross Income of Sales	129.3	134.3	-5.0	
Gross Income Rate	27.3%	28.7%	-1.4%	
Selling, Gen. & Admin. Expense	111.0	116.4	-5.4	
<b>Operating Income</b>	18.3	17.9	0.4	*0.6
Investment Income or Loss by Equity Method	0.5	-0.5	1.0	
Other Non-operating Income & Expenses	0.4	1.2	-0.8	
<b>Recurring Income</b>	19.2	18.5	0.6	
Extraordinary Income	-	23.6	-23.6	
Extraordinary Expenses	3.8	11.0	-7.2	
<b>Income before Income Taxes</b>	15.4	31.2	-15.8	
Corporate Income Tax etc.	5.5	13.1	-7.6	
Income for Minority Shareholders	0.4	0.1	0.2	
<b>Net Income</b>	9.5	17.9	-8.4	
<b>Dividend (yen / share)</b>	7	7	0	

\* Excluding the influence from newly consolidated subsidiaries

**Net Sales and Operating Income by Company**

(Billions of yen)

	FH2008		FH2007		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
<b>Housing</b>	211.9	8.6	210.8	6.2	1.1	2.4
<b>UIEP</b>	109.2	-0.3	109.0	1.4	0.2	-1.7
<b>HPP</b>	141.2	10.7	137.3	11.6	3.9	-0.9
<b>Others</b>	23.0	-0.6	23.1	-1.2	-0.1	0.6
Eliminated or Not Attributed	-12.3	-0.2	-12.3	-0.2	0.0	-0.0
<b>Total</b>	472.9	18.3	467.8	17.9	5.1	0.4

\*UIEP : Urban Infrastructure &amp; Environmental Products Company

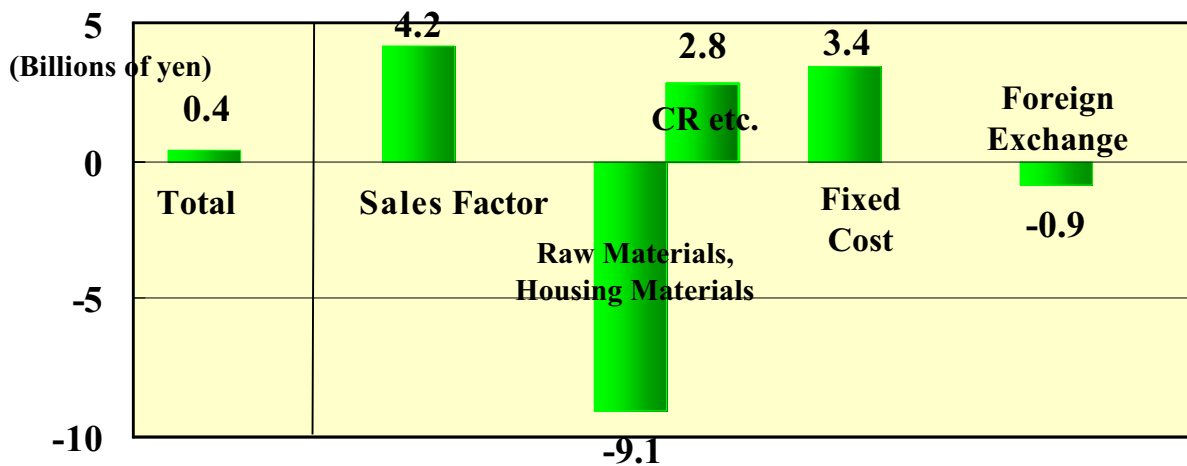
\*HPP : High Performance Plastics Company

(Billions of yen)

	FH2008		FH2007		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
Total Company	472.9	18.3	467.8	17.9	5.1 *2.9	0.4 * 0.6

\* Excluding the influence from Newly consolidated subsidiaries

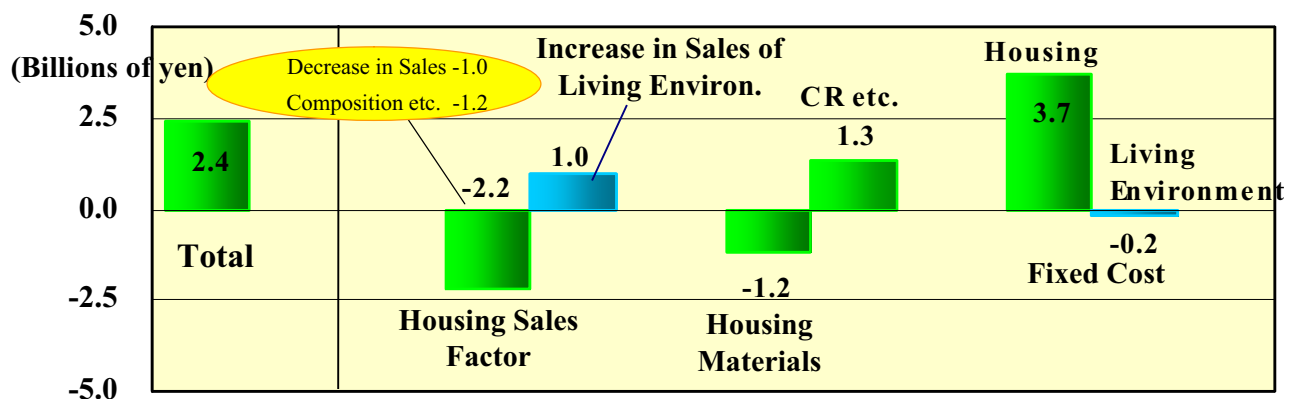
## Analysis of Operating Income (year-on- year)



(Billions of yen)

Housing	FH2008		FH2007		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
House Sales	163.1	6.7	165.3	5.1	-2.2	1.6
Living Environment [Fami-S only]	48.8 [32.8]	1.9 [1.4]	45.5 [31.4]	1.1 [0.8]	3.3 [1.4]	0.8 [0.6]
<b>Total</b>	<b>211.9</b>	<b>8.6</b>	<b>210.8</b>	<b>6.2</b>	<b>1.1</b>	<b>2.4</b>

## Analysis of Operating Income (year-on- year)



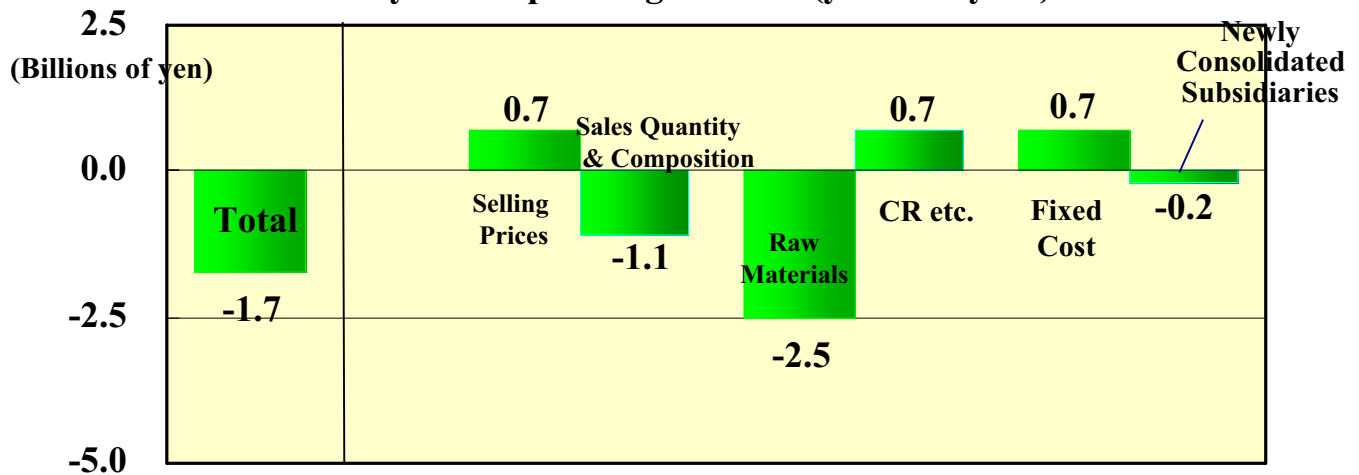
## FH2008 Sales and Operating Income by Company

(Billions of yen)

	FH2008		FH2007		Difference	
	Net Sales	Op. Inc.	Net Sales	Op. Inc.	Net Sales	Op. Inc.
<b>UIEP</b>	<b>109.2</b>	<b>-0.3</b>	<b>109.0</b>	<b>1.4</b>	<b>0.2</b> *-2.0	<b>-1.7</b> *-1.5

*\* Excluding the influence from Newly consolidated subsidiaries*

### Analysis of Operating Income (year-on-year)

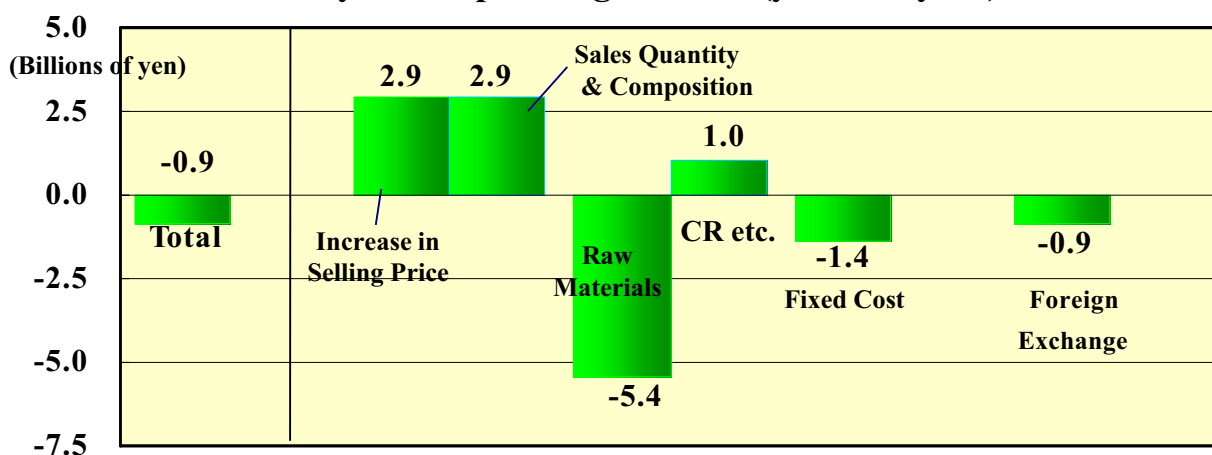


## FH2008 Sales and Operating Income by Company

(Billions of yen)

	FH2008		FH2007		Difference	
	Net Sales	Op. Inc.	Net Sales	Op. Inc.	Net Sales	Op. Inc.
<b>HPP</b>	<b>141.2</b>	<b>10.7</b>	<b>137.3</b>	<b>11.6</b>	<b>3.9</b>	<b>-0.9</b>

### Analysis of Operating Income (year-on-year)



**Non-operating Income & Expense**

(Billions of yen)

	FH2008	FH2007	Difference	Remarks on main Difference
Investment Income and Expenses by Equity Method	0.5	-0.5	1.0	
Financial Income and Expenses	1.6	2.0	-0.5	Received -0.4 (Sekisui House -0.4) Paid 0.1
Miscellaneous Income and Expenses etc.	-1.2	-0.9	-0.3	Misc. Income -0.3 Misc. Exp. -0.0
<b>Total</b>	<b>0.9</b>	<b>0.7</b>	<b>0.2</b>	

**Extraordinary Income and Expenses**

(Billions of yen)

	FH2008	FH2007	Difference
Gain on Sale of Investments in Securities	-	23.1	-23.1
Proceeds from Business Transfer	-	0.5	-0.5
<b>Total Extraordinary Income</b>	<b>-</b>	<b>23.6</b>	<b>-23.6</b>
Structural Improvement Expenses	2.8	6.9	-4.1
Loss on Valuation of Equity Securities for Nonconsolidated and Affiliates	0.5	-	0.5
Loss on Revaluation of Inventories (Lower-of-Cost-or-Market Method)	-	3.1	-3.1
Loss on Sale or Disposal of Property, Plant and Equipment	0.6	1.0	-0.5
<b>Total Extraordinary Expenses</b>	<b>3.8</b>	<b>11.0</b>	<b>-7.2</b>
<b>Total Extraordinary Income and Expenses</b>	<b>-3.8</b>	<b>12.6</b>	<b>-16.4</b>

## Balance Sheets (Assets)

(Billions of yen)

	As of Sep. 30, 2008	As of Mar. 31, 2008	Difference
Cash & Deposits	31.5	30.3	1.2
Account Receivable on Sales	156.9	168.4	-11.5
Inventories	124.6	116.2	8.4
Other Current Assets	30.8	27.5	3.3
Tangible Fixed Assets	249.8	243.5	6.3
Intangible Fixed Assets	26.5	27.4	-1.0
Investment Securities	139.8	133.2	6.6
Investments & Other Assets	35.8	36.3	-0.5
<b>Total Assets</b>	<b>795.7</b>	<b>782.9</b>	<b>12.8</b>

Housing work in progress +4.6  
Products inventories +1.3

Receipt of goods +11.7  
Depreciation -13.5  
Influence of Foreign Exchange -2.3  
Lease accounting applied +10.5

Nonconsolidated subsidiary's stocks +8.5  
Other investments, sellout and redemption -2.0

## Balance Sheets (Liabilities & Net Assets)

(Billions of yen)

	As of Sep. 30, 2008	As of Mar. 31, 2008	Difference
No Interest Bearing Liabilities	319.3	321.8	-2.5
Interest Bearing Liabilities	105.7	92.1	13.6
<b>Total Liabilities</b>	<b>425.0</b>	<b>413.9</b>	<b>11.0</b>
Capital Stock etc.	209.3	209.4	-0.0
Retained Earnings	159.3	154.1	5.3
Treasury Stock	-10.8	-10.8	0.0
Unrealized Holding Gain on Securities	-0.9	-0.9	0.0
Minority Shareholders' Interests	9.4	9.8	-0.4
Other Net Assets	4.4	7.5	-3.1
<b>Total Net Assets</b>	<b>370.7</b>	<b>368.9</b>	<b>-1.8</b>
<b>Total Liabilities, Net Assets</b>	<b>795.7</b>	<b>782.9</b>	<b>12.8</b>

Loan payable -3.6  
Commercial paper +6.0  
Lease accounting applied +11.3

Current net income +9.5  
Dividend payment -4.2

Foreign currency translation  
adjustment -3.2

**Consolidated Cash Flows**

(Billions of yen)

	FH2008	FH2007
Cash Flows from Operating Activities	27.4	13.0
Cash Flows from Investing Activities	-21.1	29.6
Cash Flows from Financing Activities	-4.9	-36.3
Net Increase (Decrease) in Cash & Cash Equivalents	0.9	7.1
Cash & Cash Equivalents at End of Term	31.1	34.7
Free Cash Flow = Cash Flows from Operating Activities + Cash Flows from Investing Activities - Dividends Paid	2.0	38.2

**Depreciation and Capital Expenditure**

(Billions of yen)

	Depreciation			Capital Expenditure		
	FH2008	FH2007	Difference	FH2008	FH2007	Difference
Housing	4.4 [1.7]	2.7	1.7	3.1 [1.2]	3.2	-0.0
UIEP	3.5 [0.1]	3.3	0.2	3.1 [0.1]	4.2	-1.1
HPP	8.4 [0.9]	6.7	1.7	7.1 [0.5]	8.6	-1.5
Others	1.1 [0.2]	0.8	0.3	1.1 [0.1]	0.9	0.3
Eliminated or Not Attributed	0.3 [0.0]	0.3	-0.0	0.5 [0.0]	0.2	0.4
<b>Total</b>	<b>17.7 [3.0]</b>	<b>13.8</b>	<b>3.9</b>	<b>15.0 [1.8]</b>	<b>17.0</b>	<b>-2.0</b>

\* ( ) : the amount influenced by the change of depreciation method

(Billions of yen)

	FY2008	FY2007	Difference
<b>Net Sales</b>	<b>996.0</b>	<b>958.7</b>	<b>37.3</b>
Gross Income of Sales	274.1	272.8	1.3
Sales Income Rate	27.5%	28.5%	-0.9%
Sales and Gen. & Admin. Expenses	226.5	229.8	-3.2
<b>Operating Income</b>	<b>47.5</b>	<b>43.0</b>	<b>4.5</b>
Income/Loss from investment in Equity Method companies	1.4	0.6	0.9
Other Non-operating income/Expense	-2.9	-5.0	2.1
<b>Recurring Income</b>	<b>46.0</b>	<b>38.5</b>	<b>7.5</b>
Extraordinary Income	-	23.6	-23.6
Extraordinary Loss	9.7	17.2	-7.5
<b>Income before tax</b>	<b>36.3</b>	<b>45.0</b>	<b>-8.7</b>
Corporate income tax etc.	12.4	19.9	-7.5
Income for minority shareholders	0.9	0.7	0.2
<b>Net Income</b>	<b>23.0</b>	<b>24.3</b>	<b>-1.3</b>
<b>Dividend (yen/share)</b>	<b>15</b>	<b>15</b>	<b>0</b>

\*26.6

\* Excluding the influence from newly consolidated subsidiaries

**Net Sales and Operating Income by Company**

(Billions of yen)

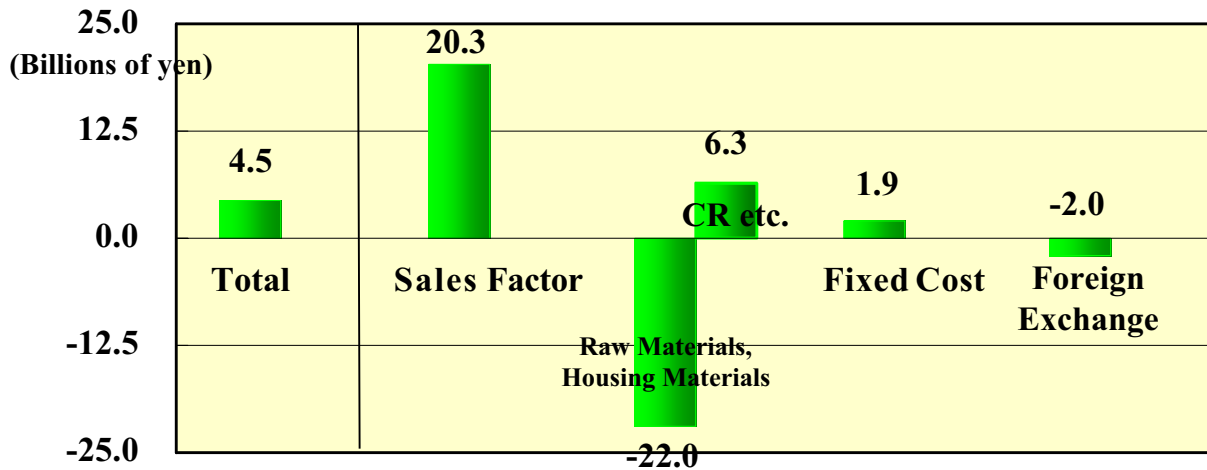
	FY2008 Plan		FY2007 Actual		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
<b>Housing</b>	<b>436.0</b>	<b>20.0</b>	<b>420.0</b>	<b>14.1</b>	<b>16.0</b>	<b>5.9</b>
<b>UIEP</b>	<b>243.0</b>	<b>5.0</b>	<b>233.8</b>	<b>6.1</b>	<b>9.3</b>	<b>-1.1</b>
<b>HPP</b>	<b>294.0</b>	<b>24.5</b>	<b>280.5</b>	<b>24.5</b>	<b>13.5</b>	<b>0.0</b>
<b>Others</b>	<b>50.0</b>	<b>-2.0</b>	<b>48.5</b>	<b>-1.4</b>	<b>1.5</b>	<b>-0.6</b>
<b>Eliminated or Not Attributed</b>	<b>-27.0</b>	<b>-</b>	<b>-24.1</b>	<b>-0.3</b>	<b>-2.9</b>	<b>0.3</b>
<b>Total</b>	<b>996.0</b>	<b>47.5</b>	<b>958.7</b>	<b>43.0</b>	<b>37.3</b>	<b>4.5</b>

(Billions of yen)

	FY2008 Plan		FY2007 Actual		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
Total Company	996.0	47.5	958.7	43.0	37.3	4.5
					*26.6	

\* Excluding the influence from Newly consolidated subsidiaries

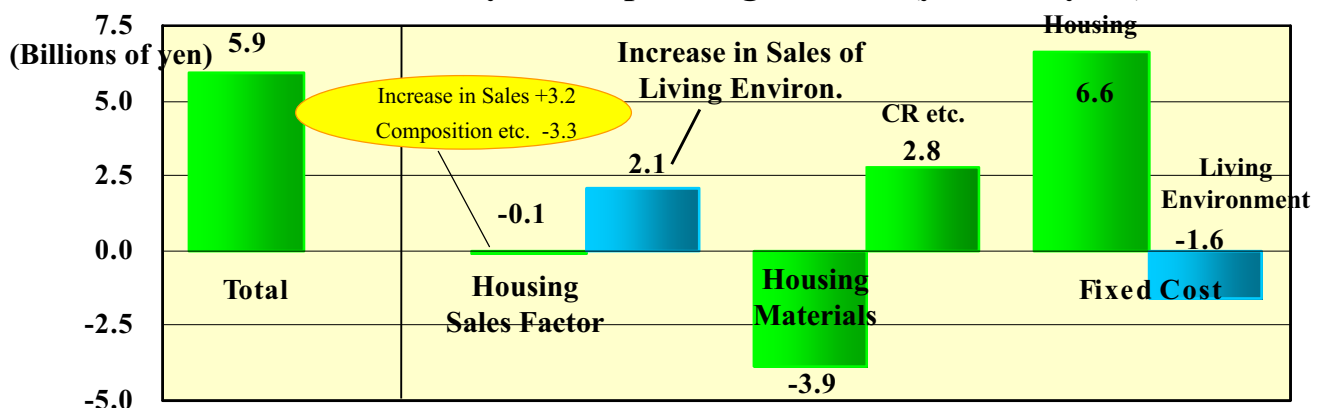
## Forecast Analysis of Operating Income (year-on-year)



(Billions of yen)

Housing	FY2008 Plan		FY2007 Actual		Difference	
	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.	Net Sales	Ope. Inc.
House Sales	336.0	16.5	326.7	11.1	9.3	5.4
Living Environment [Fami-S only]	100.0 [67.4]	3.5 [2.5]	93.3 [63.5]	3.0 [2.1]	6.7 [3.9]	0.5 [0.4]
Total	436.0	20.0	420.0	14.1	16.0	5.9

## Forecast Analysis of Operating Income (year-on-year)

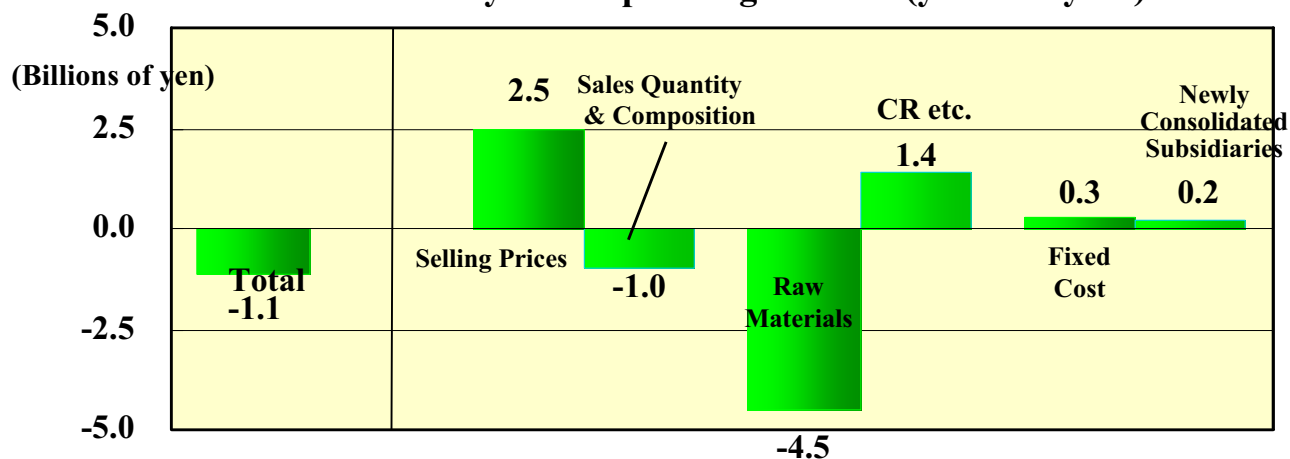


(Billions of yen)

	FY2008 Plan		FY2007 Actual		Difference	
	Net Sales	Op. Inc.	Net Sales	Op. Inc.	Net Sales	Op. Inc.
UIEP	243.0	5.0	233.8	6.1	9.3 *-0.7	-1.1

\* Excluding the influence from Newly consolidated subsidiaries

### Forecast Analysis of Operating Income (year-on-year)

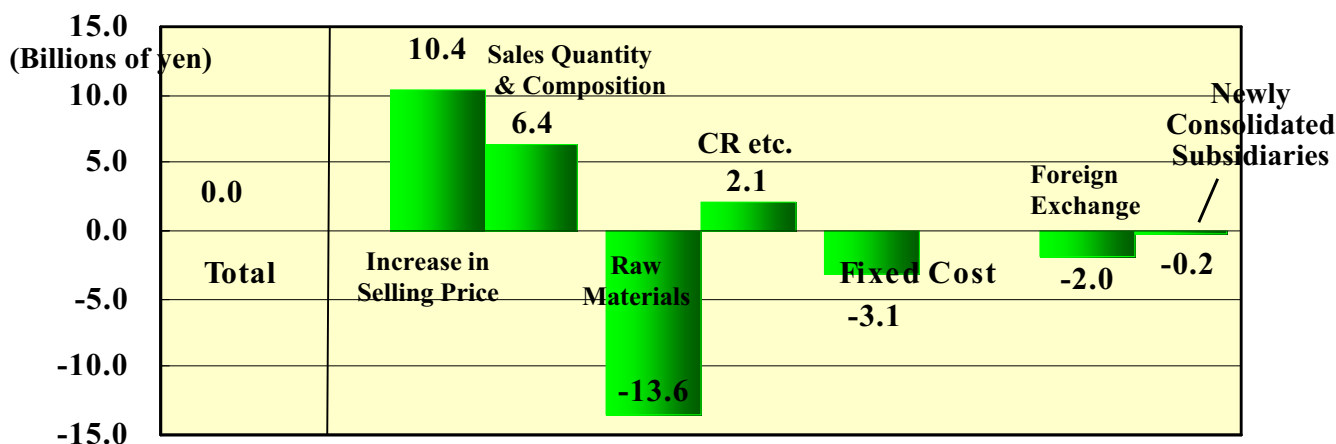


(Billions of yen)

	FY2008 Plan		FY2007 Actual		Difference	
	Net Sales	Op. Inc.	Net Sales	Op. Inc.	Net Sales	Op. Inc.
HPP	294.0	24.5	280.5	24.5	13.5 *12.8	0.0

\* Excluding the influence from Newly consolidated subsidiaries

### Forecast Analysis of Operating Income (year-on-year)



(Billions of yen)

	<b>FY2008</b>	<b>FY2007</b>	<b>Difference</b>
<b>Depreciation</b>	<b>37.0 [6.0]</b>	<b>30.0</b>	<b>7.0</b>
<b>Capital Expenditure</b>	<b>39.0 [4.0]</b>	<b>35.0</b>	<b>4.0</b>
<b>Research &amp; Development Expenses</b>	<b>26.0</b>	<b>26.0</b>	<b>0.0</b>

\* [ ]: the amount influenced by Lease accounting applied

(Billions of yen)

	<b>FY2008 Revised Plan</b>	<b>FY2007 Actual</b>	<b>Difference</b>	<b>FY2008 Previous Plan</b>
<b>Sales</b>	<b>996.0</b>	<b>958.7</b>	<b>37.3</b>	<b>989.0</b>
<b>Operating Income</b>	<b>47.5</b>	<b>43.0</b>	<b>4.5</b>	<b>54.0</b>
<b>Recurring Income</b>	<b>46.0</b>	<b>38.5</b>	<b>7.5</b>	<b>53.0</b>
<b>Net Income</b>	<b>23.0</b>	<b>24.3</b>	<b>-1.3</b>	<b>27.0</b>

***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

		FY2008			FY2007			FY2006
		FH	SH Plan	Annual Plan	FH	SH	Annual	Annual
Consolidated	Sales ( Billions of yen )	211.9	224.1	436.0	210.8	209.1	420.0	430.5
	Housing	163.1	172.9	336.0	165.3	161.4	326.7	339.7
	Houses	155.4	165.2	320.5	158.0	154.3	312.3	326.1
	Land	7.8	7.7	15.5	7.3	7.1	14.4	13.6
	Living Environment	48.8	51.2	100.0	45.5	47.8	93.3	90.7
	Refurbishing	32.8	34.6	67.4	31.4	32.2	63.5	61.8
	Interior-Exterior	2.7	2.7	5.4	3.0	2.6	5.6	5.8
	Real Estate	13.3	13.9	27.2	11.2	13.0	24.2	23.2
Others	1) Number of houses sold (units)	6,900	7,900	14,800	6,900	7,450	14,350	15,000
	Detached houses	5,000	5,500	10,500	5,000	5,100	10,100	10,820
	Heim	4,050	4,450	8,500	4,000	4,050	8,050	8,470
	Two-U	950	1,050	2,000	1,000	1,050	2,050	2,350
	Housing complex	1,900	2,400	4,300	1,900	2,350	4,250	4,180
	2) Main data							
	Price<Sales subsidiaries: Detached Ho.>/unit>(Mil.yen)	29.5	-	-	29.3	29.2	29.3	29.5
	Price<Sales subsidiaries:Detached Ho.>/Tsubo(3.3m <sup>2</sup> ) (thou. yen)	739	-	-	735	731	734	716
	Floor Space(m <sup>2</sup> )	131.7	-	-	131.6	131.8	131.7	135.9
	Exhibition places(Unit:structure)	41.6	-	41.6	455	-	438	465
	Sales staff (No. of person)	2,463	-	2,400	2,536	-	2,370	2,419
	Replacement ratio(%)	36	35	35	36	36	36	37
	Referral sales ratio(%)	34	34	34	35	34	34	34

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

### 2. Housing Orders

(Millions of yen)

	FY2008			FY2007			FY2006		
	FH	SH Plan	Annual Plan	FH	SH	Annual	FH	SH	Annual
Backlog at beginning	153,000	159,400	-	150,000	144,300	—	151,500	156,700	-
Growth rate	2%	10%	-	-1%	-8%	—	-11%	2%	-
New orders	197,277	201,521	398,798	186,646	197,786	384,432	199,356	192,829	392,184
Growth rate	6%	2%	4%	-6%	3%	-2%	8%	0%	4%
Sales of houses	190,877	202,521	393,398	192,346	189,086	381,432	194,156	199,529	393,684
Growth rate	-1%	7%	3%	-1%	-5%	-3%	-4%	3%	-1%
Balance at the end	159,400	158,400	-	144,300	153,000	—	156,700	150,000	-
Growth rate	11%	4%	-	-8%	2%	—	2%	-1%	-

### 3. Housing Starts

(in units)

	FY2008			FY2007			FY2006
	FH	SH Plan	Annual Plan	FH	SH	Annual	Annual
Housing starts	580,780	549,220	1,130,000	533,288	502,310	1,035,598	1,285,246
Privately-owned houses (included in above (=A))	179,680	160,320	340,000	162,831	148,972	313,803	356,557
Sales by our company	6,900	7,900	14,800	6,900	7,450	14,350	15,000
Detached house sales by our co.=B	5,000	5,500	10,500	5,000	5,100	10,100	10,820
Our share in Detached houses=B/A	2.8%	3.4%	3.1%	3.1%	3.4%	3.2%	3.0%

\*The housing starts in FH of FY2008 and the above "Detached house sales" are based on a prospect.

### 4. Ratio of High-Performance Specifications Installation

	FY2008			FY2007			FY2006
	FH	SH Plan	Annual Plan	FH	SH	Annual	Annual
Photovoltaic generation systems	50%	55%	53%	43%	45%	43%	51%
Tiled exterior wall (Heim type JX)	50%	54%	52%	55%	50%	52%	55%
Totally electrified model	91%	89%	90%	87%	89%	88%	87%
Warm Airy	56%	69%	62%	46%	64%	55%	49%