

Summary of Financial Results for the Third Quarter of Fiscal Year 2008 Ending March 31, 2009

January. 30, 2009

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
 Code Number: 4204
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 Scheduled date for submission of financial statement: February. 13, 2009

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Third Quarter (April. 1, 2008 to December. 31, 2008)

(1) Consolidated Business Results (% change from the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2008(First 9 months)	709,820	-	26,018	-	23,836	-	-426	-
FY2007(First 9 months)	697,156	3.4	24,519	-19.0	25,631	-21.1	20,759	29.9

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
FY2008(First 9 months)	-0.81	-
FY2007(First 9 months)	39.41	39.40

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2008(First 9 months)	798,566	343,361	41.8	635.02
FY2007	782,859	368,919	45.8	683.11

(Note) Shareholders' Equity December. 31, 2008: 333,612million yen March. 31, 2008: 358,917million yen

2. Dividend Status

(Date of Record)	Dividend Per Share				
	At the end of 1st Q, FY2008	At Midterm	At the end of 3rd Q, FY2008	Year-end	Full year
	yen	yen	yen	yen	yen
FY2007	-	7.00	-	8.00	15.00
FY2008	-	7.00	-		
FY2008 (outlook)				8.00	15.00

(Note) Revision of dividend estimates in the third quarter: No

3. Consolidated Outlook for FY 2008 (April. 1, 2008-March. 31, 2009)

(% change from the previous year)

	Net Sales		Operating Income		Recurring Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	950,000	-0.9	35,000	-18.6	31,000	-19.6	5,000	-79.4	9.52

(Note) Revision of consolidated earnings estimates in the third quarter: Yes

4. Other

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

(2) Application of simplified accounting methods or specialized methods for quarterly consolidated financial statements: Yes

Note: Please see “4. Other” in the Qualitative Information and Financial Statements (page6) for further details

(3) Changes in accounting principles, methods or reporting methods affecting the production of the consolidated financial statement (fundamental changes in main reported item for the production of the consolidated financial statement)

a) Changes caused by revisions to accounting principles: Yes

b) Changes other than a): Yes

Note: Please see “4. Other” in the Qualitative Information and Financial Statements (page6) for further details

(4) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock)	FY2008(First 9 months)	539,507,285 shares
	FY2007	539,507,285 shares
b) Treasury stock at the end of term	FY2008(First 9 months)	14,152,431 shares
	FY2007	14,088,433 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	FY2008(First 9 months)	525,430,050 shares
	FY2007(First 9 months)	526,711,029 shares

Note: An explanation the application of these changes to the results forecasts is presented in the section on Other Items.

1. Consolidated forecast figures presented in this report for the full fiscal year 2008 represent revisions to the previous forecast figures announced on October. 28, 2008.
2. Forecasts and other forward-looking statements appearing in this report are based on company judgments formed from available information. Changing conditions in a variety of areas may cause substantial differences in the actual results. For a discussion of the assumptions and relevant notes, please see the Consolidated Earnings Forecast section of the Consolidated Financial Position report on page 6.
3. Effective the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have adopted the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan (“ASBJ”) Statement No. 12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). The quarterly consolidated financial statements are prepared in line with the Accounting Principles for Quarterly Financial Statements.

Qualitative Information and Financial Review

1. Consolidated Business Results

1) Overview of Conditions Through the Third Quarter of Fiscal 2008 (April 1, 2008, to December 31, 2008)

Sekisui Chemical achieved growth in sales and operating income for the first three quarters of fiscal 2008. The Company's improved operating efficiency and the ongoing recovery in housing orders through the second quarter of the fiscal year overcame the impact of the global economic recession and the rapid deterioration in business conditions, particularly in the automotive and IT industries, that took hold during the third quarter.

Aggressive strategic investment for the development of the growth frontiers during the term enabled us to expand our growth businesses, particularly overseas, and to further establish the business infrastructures of our core business.

The Company established a payment reserve as preparation for the possibility of a fine being levied as stipulated by the Anti-Monopoly Law and reported the reserve amount as an extraordinary loss in the third quarter. The Fair Trade Commission has been investigating the Company since July 10, 2007, for possible involvement in a price cartel for polyvinyl chloride pipes.

2) Business Results by Company (April 1, 2008, to December 31, 2008)

Housing

While the Housing Company posted sales and profit growth in the first half of the fiscal year on steady orders in the new home construction business and solid sales in the living environment business and following the improved operating efficiency achieved in the previous fiscal year. The housing markets substantially slowed in the third quarter, and orders in both the new home construction and living environment businesses fell below previous year levels.

In the new home construction business, we focused on expanding orders by differentiating the environment and high-performance features of our products and releasing new products in April, May and October in the price-volume zone targeting first-time homebuyers. Campaigns promoting the environmental and economical features of our homes successfully increased the ratio of houses sold with high-performance options, such as solar power generation systems and Warm Airy technology.

Living environment business, sales in the housing reform business increased from the fortified operations resulting from our staff education and training efforts and expanding sales of core commercial products, such as water-environment facilities and solar power generation systems.

Urban Infrastructure and Environmental Products

UIEP Company sales through the third quarter remained at roughly the same level as a year earlier owing to the addition of consolidated subsidiaries. Profit declined, however, due to the slow recovery in housing construction starts after the revisions to the Building Standard Law, diminishing demand amid the global recession, the strong yen, and other factors.

In September, the UIEP Company addressed the increasingly severe market conditions in Japan by reforming its operating structure including reorganizing the business structure and redistributed staff to focus on our growth fields.

Declining raw materials prices in the third quarter helped secure profit for the company's core PVC pipe products, but overall sales in Japan suffered, largely from the declining demand and the postponement and cancellation of construction projects.

In overseas operations, we continue to aggressively establish operating bases to support our objective of becoming the world's leading pipe restoration company. In July 2008, we acquired Chevalier Pipe Technologies (CPT) G.m.b.H., a leading pipe rehabilitation company in Europe, and in November 2008 we established the sales company SEKISUI CPT ASIA PTE. LTD. in Singapore in preparation for full-fledged business development in Asia. In addition, in June 2008, we established the joint venture company LLC Sumi-Lon as a local base for expanding sales in the rapidly expanding market for reinforced plastic pipe in Russia.

High Performance Plastics

HPP Company sales for the first three quarters of fiscal 2008 held flat while profits declined from the previous year as the severe deterioration in business conditions in Japan and overseas caused demand for its products to plummet in its three strategic fields (automotive, IT, medical), particularly in the automotive and IT fields.

In the automotive field, the company focused on expanding sales of its high-performance interlayer films, including introducing in October two new interlayer films for glass—the Head-up Display and a windshield interlayer film that extends onto the vehicle roof—as a strategy to counter the negative effects from the global economic conditions, the strong yen, and other elements.

In addition, in July we began expanding interlayer film production bases in China and Japan and in December committed to expanding production of interlayer film raw materials and resins for laminated glass in the Netherlands.

In the IT field, sales of our liquid-crystal chemicals, optical films, and other core products suffered. However, we continue to anticipate demand to grow in the medium and long term and in October commenced construction of the Taga Plant with the aim of making it a primary production hub for adhesive film products. The new plant scheduled to commence operations in January 2010.

In the medical field, we continued to focus on business selectivity and launched full-fledged overseas business development in the pharmacokinetics business following the August 2008 acquisition of XenoTech, LLC, of the United States.

For reference, qualitative data is presented for comparison with the results of the first three quarters of the previous fiscal year.

2. Consolidated Financial Position

1) Financial Position (April 1, 2008, to December 31, 2008)

At the end of the third quarter of fiscal 2008, total assets amounted to ¥798.5 billion, representing an increase of ¥15.7 billion from the end of fiscal year 2007. Current assets increased ¥24.6 billion as housing work in process and other inventories increased while trade notes and accounts receivable declined. Fixed assets decreased ¥8.9 billion.

Liabilities increased ¥41.2 billion to ¥455.2 billion from the end of the previous fiscal year largely due to increased lease obligations, including interest-bearing debt.

Net assets decreased ¥25.5 billion to ¥343.3 billion from the end of fiscal year 2007 from a decrease in retained earnings after deducting dividends and other payments and a decline in valuation and translation adjustments. Equity after deducting minority interest from net assets amounted to ¥333.6 billion. The equity ratio was 41.8%.

2) Cash Flow (April 1, 2008, to December 31, 2008)

Net cash provided by operating activities increased to ¥9.9 billion. Cash inflows included ¥8.4 billion in income before income taxes and minority interests, ¥26.9 billion in depreciation and amortization, and a ¥7.4 billion decline in trade notes and accounts receivable, which exceeded cash outflows that included a ¥16.3 billion increase in inventories and ¥12.8 billion in income taxes paid.

Net cash used in investing activities decreased to ¥26.3 billion. The decline was primarily due to aggressive investments including ¥17.1 billion to acquire tangible fixed assets focused on strategic areas and growth fields and ¥9.6 billion to acquire subsidiary stock of Chevalier Pipe Technologies G.m.b.H. and XenoTech, LLC as incorporate the companies as consolidated subsidiaries of the group.

Net cash provided by financing activities increased to ¥25.3 billion. The main elements were dividend payments of ¥7.9 billion and a net increase in interest-bearing debt of ¥33.3 billion.

The result was cash and cash equivalents totaling ¥37.6 billion at the end of the third quarter of fiscal 2008.

3. Consolidated Earnings Forecast

Our consolidated performance forecast for the full-year fiscal 2008 anticipates a further deterioration in earnings in a period of unprecedented economic crisis and business recession.

We anticipate a strong impact in the automotive, IT, and other strategic fields we are developing globally and a worsening operating environment for the water supply & drainage, housing, and other core businesses from receding demand in the domestic market, including stagnant construction starts.

Based on this forecast, and considering the extraordinary loss reported in the third quarter, we have revised our full-year fiscal 2008 consolidated results forecast from those announced on October 28, 2008. Our revised forecasts are as follows:

(Millions of yen)

	Revised Forecast	Previous Forecast (October 28, 2008)
Net sales	950,000	996,000
Operating income	35,000	47,500
Ordinary income	31,000	46,000
Net income	5,000	23,000
Net income per share (Yen)	9.52	43.77

4. Other

1) Significant changes in subsidiaries during the term (changes in specified subsidiaries involving changes in the scope of consolidation)

No significant changes in subsidiaries during the term under review.

2) Application of simplified accounting methods and special accounting methods in the preparation of the consolidated financial statement for the first quarter

Special accounting methods have been applied in the preparation of the consolidated financial statement

The tax rate used in the consolidated financial statement for the current fiscal year including the term under review is a reasonable estimate based on the estimated effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the full year and for the quarter under review.

Deferred income taxes are included in the income tax amount.

3) Changes in accounting principles, methods or reporting methods affecting the production of the consolidated financial statement

Change in accounting standards

Effective the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have adopted the Accounting Standard for Quarterly Financial Reporting (Accounting Standards Board of Japan (“ASBJ”) Statement No. 12) and Guidance on Accounting Standard for Quarterly Financial Reporting (ASBJ Guidance No. 14). The quarterly consolidated financial statements are prepared in line with the Accounting Principles for Quarterly Financial Statements.

The consolidated financial statements from the second quarter (July 1 to September 30, 2008) of fiscal year 2008 are prepared in accordance with the Regulation for Quarterly Consolidated Financial Statements following amendment to the conditional clause Article 7, Paragraph 1, Item 5 of the supplementary provision to the Cabinet Office Ordinance regarding partial amendment to the Regulation for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 50, August 7, 2008).

3-1) Changes caused by revisions to accounting principles

Effective the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have adopted the Practical Issues Task Force (PITF) No. 18 Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (issued May 17, 2006) and have made necessary adjustments in the consolidation financial statements.

These revisions had a minimal effect on the consolidated financial statements and segment information.

3-2) Other Changes

Regarding title transfer of finance lease transactions, the Company had previously followed accounting practices based on rental transactions accounting methods. Effective the year ending March 31, 2009, the Company is utilizing the Accounting Standard for Lease Transactions (Statement No.13) and the Guidance on Accounting Standard for Lease Transactions (Guidance No.16) for the accounting of common sales transactions. These changes had the effect of increasing operating income by ¥171 million and ordinary income by ¥99 million, while decreasing income before income taxes and minority interests by ¥1 million in the half-year period under review.

These revisions had a minimal effect on the segment information.

5. Consolidated Financial Statement (Third Quarter, Fiscal Year 2008)

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	End Third Quarter, Fiscal 2008	End Fiscal Year 2007, Condensed Consolidated Balance Sheet
	As of December. 31, 2008	As of March. 31, 2008
(Assets)		
Current Assets		
Cash and deposits	38,060	30,280
Trade notes receivable	57,365	55,515
Accounts receivable	102,362	112,929
Securities	1	29
Product inventories	48,767	41,595
Subdivision land	24,636	24,355
Work in progress	40,180	32,456
Raw materials	21,174	17,811
Advances	1,173	2,214
Prepaid expenses	2,681	2,057
Deferred tax assets	10,173	11,410
Short-term loans	1,519	897
Other	19,787	12,252
Allowance for doubtful accounts	-792	-1,356
Total current assets	367,090	342,450
Fixed assets		
Tangible fixed assets		
Buildings & structures, net	85,229	89,137
Machinery, equipment and tools, net	65,435	69,731
Land	68,287	68,880
Leased assets (net value)	9,544	—
Construction in progress	8,435	7,450
Other (net)	7,201	8,266
Total tangible fixed assets	244,134	243,466
Intangible fixed assets		
Goodwill	24,525	20,176
Software	4,272	4,244
Leased assets	347	—
Other	3,614	3,016
Total intangible assets	32,760	27,437
Investments and other assets		
Investment securities	113,641	133,172
Long-term loans	1,185	1,006
Long-term prepaid expenses	1,181	1,440
Deferred income taxes	29,394	23,929
Other	10,505	11,278
Allowance for doubtful accounts	-1,326	-1,320
Total investments and other assets	154,581	169,506
Total fixed assets	431,476	440,409
Total assets	798,566	782,859

	(Millions of Yen)	
	End Third Quarter, Fiscal 2008	End Fiscal Year 2007, Condensed Consolidated Balance Sheet
	As of December. 31, 2008	As of March. 31, 2008
(Liabilities)		
Current liabilities		
Trade notes payable	14,509	14,141
Accounts payable	122,668	118,937
Short-term loans	71,536	34,478
Commercial paper	3,000	—
Current portion of corporate bonds	5,425	—
Lease obligation	4,711	—
Accrued expenses	26,245	30,200
Accrued income taxes	4,799	11,661
Deferred tax liabilities	310	258
Provision for bonuses	7,146	13,009
Provision for directors' bonuses	—	299
Provision for compensation for completed constructions	1,018	996
Reserve for charges	8,000	—
Advances received	35,209	34,139
Other	34,400	34,613
Total current liabilities	338,981	292,736
Fixed liabilities		
Bonds	10,000	15,608
Long-term loans	42,020	42,011
Lease obligation	5,813	—
Deferred tax liabilities	2,757	2,655
Provision for retirement allowances	50,438	54,575
Other	5,194	6,353
Total fixed liabilities	116,223	121,203
Total liabilities	455,205	413,940
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,312	109,367
Retained earnings	145,491	154,073
Treasury stock	-10,833	-10,844
Total shareholders' equity	343,972	352,599
Revaluation and translation adjustments		
Unrealized holding gain on securities	-8,663	-933
Unrealized gain on land revaluation	222	217
Foreign currency translation adjustments	-1,919	7,033
Total revaluation and translation adjustments	-10,360	6,317
Share subscription rights	351	237
Minority shareholders' interests	9,397	9,764
Total net assets	343,361	368,919
Total liabilities, net assets	798,566	782,859

(2) Consolidated Profit and Loss Statement
(First 9 Months, Fiscal Year 2008)

(Millions of Yen)

	First 9 Months, Fiscal 2008 (From April. 1, 2008 to December. 31, 2008)
Net sales	709,820
Cost of sales	516,456
Gross income	193,363
Selling, general & administrative expenses	167,345
Operating Income	26,018
Non-operating income	
Interest income	943
Dividend income	2,264
Investment income by equity method	825
Miscellaneous income	1,936
Total non-operating income	5,970
Non-operating expenses	
Interest expenses	1,782
Interest on Commercial Paper	17
Sales discounts	245
Foreign exchange loss(net)	2,191
Miscellaneous expenses	3,914
Total non-operating expenses	8,152
Recurring income	23,836
Extraordinary expenses	
Provision for reserve for charges	8,000
Structural improvement expenses	3,349
Loss from revaluation of investment securities	2,699
Loss on Valuation of Equity Securities for Nonconsolidated and Affiliates	453
Loss on sales or disposal of property, plant and equipment	850
Total extraordinary expenses	15,352
Income (loss) before income taxes and minority interests	8,483
Income taxes	8,350
Minority interests	559
Net loss	-426

Consolidated Profit and Loss Statement
(Third Quarter, Fiscal Year 2008)

(Millions of Yen)

Third Quarter, Fiscal 2008
(From October. 1, 2008
to December. 31, 2008)

Net sales	236,893
Cost of sales	172,815
Gross income	64,077
Selling, general & administrative expenses	56,341
Operating Income	7,735
Non-operating income	
Interest income	304
Dividend income	243
Investment income by equity method	292
Miscellaneous income	604
Total non-operating income	1,445
Non-operating expenses	
Interest expenses	714
Interest on Commercial Paper	4
Sales discounts	81
Foreign exchange loss (net)	2,626
Miscellaneous expenses	1,207
Total non-operating expenses	4,634
Recurring income	4,547
Extraordinary expenses	
Provision for reserve for charges	8,000
Loss from revaluation of investment securities	2,595
Structural improvement expenses	556
Loss on sales or disposal of property, plant and equipment	289
Total extraordinary expenses	11,441
Loss before income taxes and minority interests	-6,894
Income taxes	2,823
Minority interests	198
Net loss	-9,916

(3) Consolidated Statements of Cash Flows

(First 9 Months, Fiscal Year 2008)

(Millions of Yen)

 First 9 Months, Fiscal 2008
 (From April. 1, 2008
 to December. 31, 2008)

Operating activities	
Income (loss) before income taxes and minority interests	8,483
Depreciation and amortization	26,938
Goodwill amortization	1,695
Loss on sales or disposal of property, plant and equipment	749
Loss on sales of marketable and investment securities	101
Loss from revaluation of marketable and investment securities	2,699
Decrease in reserve for bonuses	-5,816
Decrease in allowance for retirement benefits	-3,927
Interest and dividend income	-3,208
Interest expense	2,046
Equity in earnings of affiliates	-825
Decrease in trade notes and accounts receivable	7,437
Increase in inventories	-16,317
Decrease in account payable	-622
Increase in advances received	974
Other	751
Subtotal	<u>21,159</u>
Interest and dividends received	3,695
Interest paid	-1,980
Income taxes paid	-12,884
Net cash (used in) provided by operating activities	<u>9,989</u>
Investing activities	
Purchases of property, plant and equipment	-17,102
Proceeds from sales of property, plant and equipment	863
Purchases of investment securities	-3,714
Proceeds from sales or redemption of investment securities	5,182
Purchase of stocks of newly consolidated subsidiaries	-9,614
Payments for acquisition of shares of subsidiaries	-90
Purchases of intangible assets	-1,555
Increase in short-term loans	-558
Purchases of long-term loans	-245
Proceeds from recovery of long-term loans	55
Other	394
Net cash (used in) provided by investing activities	<u>-26,385</u>
Financing activities	
Proceeds from short-term loans	37,284
Payment for return of finance leases	-4,474
Net increase in commercial paper	3,000
Proceeds from long-term loans	4,616
Repayment of long-term loans	-7,056
Dividends paid	-7,887
Cash dividends paid to minority shareholders of consolidated subsidiaries	-110
Purchase of treasury stock	-138
Other	77
Net cash used in financing activities	<u>25,311</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-1,439</u>
Net increase in cash and cash equivalents	<u>7,475</u>
Cash and cash equivalents at beginning of term	<u>29,852</u>
Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	<u>363</u>
Cash and cash equivalents at end of term	<u>37,691</u>

Sekisui Chemical (4204) Summary of Financial Results for the Third Quarter of Fiscal Year 2008 Ending March 31, 2009

Effective the year ending March 31, 2009, the Company and its domestic consolidated subsidiaries have adopted the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 14). The quarterly consolidated financial statements are prepared in line with the accounting principles for quarterly financial statements.

(4) Notes on Conditions for Going Concern

Not applicable.

(5) Segment Information

Business segments

Consolidated Third Quarter, Fiscal 2008 (October. 1, 2008 to December. 31, 2008)

(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	107,236	53,795	65,929	9,932	236,893	-	236,893
(2)Intersegment	6	2,789	1,855	1,410	6,061	(6,061)	-
Total	107,242	56,585	67,784	11,342	242,955	(6,061)	236,893
Operating income (loss)	3,814	326	3,894	-271	7,765	(29)	7,735

Consolidated 9 Months, Fiscal 2008 (April. 1, 2008 to December. 31, 2008)

(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	319,098	156,987	203,360	30,372	709,820	-	709,820
(2)Intersegment	48	8,759	5,588	3,939	18,336	(18,336)	-
Total	319,147	165,747	208,949	34,312	728,156	(18,336)	709,820
Operating income (loss)	12,445	35	14,586	-847	26,221	(203)	26,018

Sekisui Chemical (4204) Summary of Financial Results for the Third Quarter of Fiscal Year 2008 Ending March 31, 2009

Geographical Segments

Consolidated Third Quarter, Fiscal 2008 (October. 1, 2008 to December. 31, 2008)

(Millions of Yen)

	Japan	U.S.	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	201,406	9,233	12,109	12,180	1,964	236,893	-	236,893
(2)Intersegment	7,518	413	-29	840	72	8,815	(8,815)	-
Total	208,924	9,646	12,079	13,021	2,036	245,708	(8,815)	236,893
Operating income (loss)	5,750	205	606	571	323	7,458	277	7,735

Consolidated First 9 Months, Fiscal 2008 (April. 1, 2008 to December. 31, 2008)

(Millions of Yen)

	Japan	U.S.	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	606,581	27,098	34,853	37,026	4,261	709,820	-	709,820
(2)Intersegment	22,952	1,016	105	2,365	113	26,552	(26,552)	-
Total	629,533	28,114	34,958	39,391	4,374	736,372	(26,552)	709,820
Operating income (loss)	18,485	1,010	3,266	1,764	512	25,038	979	26,018

Overseas net sales

Consolidated Third Quarter, Fiscal 2008 (October. 1, 2008 to December. 31, 2008)

	U.S.	Europe	Asia	Others	Total
I.Overseas net sales (millions of yen)	10,250	13,201	14,904	2,097	40,454
II.Consolidated net sales (millions of yen)					236,893
III.Overseas net sales as a ratio of consolidated net sales (%)	4.3	5.6	6.3	0.9	17.1

Consolidated First 9 Months, Fiscal 2008 (April. 1, 2008 to December. 31, 2008)

	U.S.	Europe	Asia	Others	Total
I.Overseas net sales (millions of yen)	30,734	39,106	46,786	4,572	121,199
II.Consolidated net sales (millions of yen)					709,820
III.Overseas net sales as a ratio of consolidated net sales (%)	4.3	5.5	6.6	0.6	17.1

(6) Significant Change in Shareholder Equity

No significant change.

Reference Materials

Financial Statement for First 9 Months, Fiscal 2007

(1) Consolidated Profit and Loss Statement

First 9 Months, Fiscal 2007 (April. 1, 2007 to December. 31, 2007)

(Millions of Yen)

Item	Consolidated Financial Results for the Third Quarter (cumulative), Fiscal 2007		
	Amount		%
I. Net sales		697,156	100.0
II. Cost of sales		498,814	71.5
Gross income		198,341	28.5
III. Selling, general & administrative expenses		173,821	24.9
Operating Income		24,519	3.5
IV. Non-operating income			
1. Interest income	932		
2. Dividend income	2,587		
3. Investment gain by equity method	107		
4. Miscellaneous income	2,695	6,322	0.9
V. Non-operating expenses			
1. Interest expenses	1,460		
2. Discount on Commercial Paper	12		
3. Sales discounts	240		
4. Miscellaneous expenses	3,497	5,211	0.7
Recurring Income		25,631	3.7
VI. Extraordinary income			
1. Gain on change in equity	23,137		
2. Proceeds from business transfer	478	23,615	3.4
VII. Extraordinary expenses			
1. Loss on revaluation of inventories	3,069		
2. Structural improvement expenses	7,597		
3. Loss on sales or disposal of property, plant and equipment	1,525	12,191	1.7
Income before income taxes and minority interests		37,055	5.3
Income taxes	15,933	15,933	2.3
Minority interests		362	0.1
Net income		20,759	3.0

(2) Consolidated Statements of Cash Flows

Financial Statement for First 9 Months, Fiscal 2007 (April. 1, 2007 to December. 31, 2007)

(Millions of Yen)

	Consolidated Financial Results for the Third Quarter (cumulative) , Fiscal 2007
I. Operating activities	
1. Income before income taxes and minority interests	37,055
2. Depreciation and amortization	21,656
3. Gain on change in equity	-23,137
4. Loss on sales or disposal of property, plant and equipment	1,525
5. Decrease in reserve for bonuses	-5,637
6. Decrease in allowance for retirement benefits	-4,305
7. Interest and dividend income	-3,519
8. Interest expense	1,714
9. Equity in earnings of affiliates	-107
10. Decrease in trade notes and accounts receivable	6,917
11. Increase in inventories	-10,356
12. Decrease in accounts payable	-7,676
13. Decrease in advances received	-2,415
14. Other	-2,755
Subtotal	8,956
15. Interest and dividends received	3,986
16. Interest paid	-1,761
17. Income taxes paid	-15,770
Net cash (used in) provided by operating activities (1)	-4,588
II. Investing activities	
1. Purchases of property, plant and equipment	-26,195
2. Proceeds from sales of property, plant and equipment	688
3. Purchases of investment securities	-583
4. Proceeds from sales or redemption of investment securities	53,402
5. Proceeds from sales of investments in subsidiaries	1,381
6. Acquisition of a business	-5,780
7. Acquisition of shares from minority interests in consolidated subsidiaries	-213
8. Purchases of intangible assets and long-term prepaid expenses	-1,663
9. Decrease in short-term loans, net	-576
10. Purchases of long-term loans	-36
11. Proceeds from recovery of long-term loans	58
12. Other	1,158
Net cash (used in) provided by investing activities (2)	21,641
III. Financing activities	
1. Increase in short-term debt, net	29,543
2. Net decrease in commercial paper	-3,000
3. Proceeds from long-term loans	10,715
4. Repayment of long-term loans	-31,879
5. Repayment of bonds	-10,000
6. Dividends paid	-7,924
7. Cash dividends paid to minority shareholders of consolidated subsidiaries	-185
8. Purchases of treasury stock	7
9. Proceeds from sales of treasury stock	-4,725
10. Other	-179
Net cash used in financing activities (3)	-17,626
IV. Effect of exchange rate changes on cash and cash equivalents(4)	261
V. Net decrease in cash and cash equivalents (1)+(2)+(3)+(4)	-312
VI. Cash and cash equivalents at beginning of term	25,968
VII. Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	1,697
VIII. Decrease in cash and cash equivalents due to exclusion in consolidation of subsidiaries	-20
IX. Cash and cash equivalents at end of term	27,333

Sekisui Chemical (4204) Summary of Financial Results for the Third Quarter of Fiscal Year 2008 Ending March 31, 2009

(3) Segment Information

Business segments

First 9 Months of, Fiscal 2007 (April. 1, 2007 to December. 31, 2007)

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Con- solidated
I. Net sales:							
(1) To third parties	305,728	156,803	203,689	30,934	697,156	-	697,156
(2) Intersegment	164	8,289	5,246	3,717	17,417	(17,417)	-
Total	305,893	165,092	208,936	34,651	714,574	(17,417)	697,156
Operating income (loss)	5,751	1,992	18,694	-1,732	24,705	(186)	24,519

Geographical Segments

First 9 Months, Fiscal 2007 (April. 1, 2007 to December. 31, 2007)

(Millions of Yen)

	Japan	U.S.	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Con- solidated
I. Net sales:								
(1) To third parties	600,343	25,324	30,582	37,733	3,173	697,156	-	697,156
(2) Intersegment	23,983	757	817	1,929	54	27,543	(27,543)	-
Total	624,326	26,082	31,399	39,662	3,227	724,699	(27,543)	697,156
Operating income (loss)	15,972	2,200	3,386	2,524	285	24,369	150	24,519

Overseas net sales

First 9 Months, Fiscal 2007 (April. 1, 2007 to December. 31, 2007)

	U.S.	Europe	Asia	Others	Total
I. Overseas net sales (millions of yen)	29,220	32,869	47,395	3,453	112,939
II. Consolidated net sales (millions of yen)					697,156
III. Overseas net sales as a ratio of consolidated net sales (%)	4.2	4.7	6.8	0.5	16.2