Summary of Financial Results of Fiscal Year 2009 Ended March 31, 2010

April 27, 2010

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. Naofumi Negishi, President
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TEL:	+81-3- 5521-0522
Scheduled General Meeting of Shareholders:	June 29, 2010
Scheduled date for payment of dividends:	June 30, 2010
Scheduled date for submission of financial statement	June 29, 2010

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Fiscal 2009 (April 1, 2009 to March 31, 2010)

(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	%
FY2009	858,514	-8.1	35,955	7.0	31,076	5.6	11,627	-
FY2008	934,225	-2.6	33,589	-21.9	29,438	-23.6	1,013	-95.8

	Net Income per Share	Net Income per Share (Diluted)	Net Income to Equity Ratio	Recurring Income to Total Assets Ratio	Operating Income Ratio
	yen	yen	%	%	%
FY2009	22.13	-	3.5	4.0	4.2
FY2008	1.93	1.93	0.3	3.8	3.6

(Note)Equity in earnings of affiliated companies March 31, 2010: 1,498 million yen March 31, 2009: 1,409 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	yen
FY2009	787,261	351,706	43.4	651.08
FY2008	756,450	330,721	42.6	612.93

(Note) Shareholders' Equity : March 31, 2010: 342,041 million yen, March 31, 2009: 322,000 million yen

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	End of Year Cash and Cash Equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2009	74,983	-55,496	-5,749	54,855
FY2008	35,611	-35,403	13,889	40,488

2. Dividend Status

(Date of Record)	Dividend Per Share					Total Dividend Payment (full year)	Dividend Payout Rtaio (consolidated)	Dividend to equity ratio (consolidated)
	At the end of 1Q	At the end of 2Q	At the end of 3Q	Year-end	Full year			
	yen	yen	yen	yen	yen	Millions of yen	%	%
FY2008	-	7.00	-	3.00	10.00	5,257	518.7	1.5
FY2009	-	5.00	-	5.00	10.00	5,256	45.2	1.6
FY2010 (outlook)	-	5.00	-	5.00	10.00		30.0	

3. Consolidated Outlook for FY 2010 (April 1, 2010 to March 31, 2011)

(% 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
Mid Term	440,000	8.4	14,500	26.0	13,500	35.8	4,000	109.8	7.61
Full Year	920,000	7.2	42,000	16.8	29,500	28.7	17,500	50.5	33.31

4. Other

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): Yes

One company added: Sekisui Specialty Chemicals America, LLC.

(2) 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 “Changes to the Basis of Presenting Consolidated Financial Statements” (page 16) for further details.

(3) Number of shares outstanding (common stock)

a)	Number of shares outstanding at the end of term (including treasury stock)	FY2009	539,507,285 shares
		FY2008	539,507,285 shares
b)	Treasury stock at the end of term	FY2009	14,162,284 shares
		FY2008	14,161,865 shares

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

Forecasts and other forward-looking statements appearing in this report are based on company judgements formed from available information. Changing conditions in a variety of areas may cause substantial differences in the actual results. Please refer to page 5, "Full-year-forecast" for the assumptions underlying the forecasts, disclaimer on the use of forecasts, and other related matters.

1. Consolidated Business Results

(1) Analysis of Operating Results

1) Fiscal Year 2009 (April 1, 2009 to March 31, 2010)

a. Consolidated Results

Net sales ¥858.5 billion (–8.1% year on year), operating income ¥35.9 billion (+7.0%), ordinary income ¥31.0 billion (+5.6%), net income ¥11.6 billion yen (-)

The fundamental management objectives in the first year of the medium-term management plan GS21-SHINKA! was to fortify the earnings structure by solidifying the earnings base by lowering the break-even point for sales and by concentrating management resources in anticipated growth areas.

Consolidated sales dropped sharply in FY2009 due to declining sales of PVC pipe, rain gutters, and other domestic demand-led core products amid slower-than-anticipated domestic housing starts for the year and sluggish orders for new housing construction orders from the second half of fiscal year 2008 through the first half of fiscal year 2009. Operating income increased year on year on increased sales in the living environment, IT, and medical high growth segments and improved operating efficiency in each company, which resulted in the break-even point for sales being lowered more than originally targeted.

Positive trends during the year included successive quarterly growth in sales in the automotive field from the second quarter and a year-on-year rises in new housing construction orders beginning in the third quarter. Initiatives to fortify the foundations for future growth of the Company’s strategic businesses included establishing raw material production bases in Japan, the United States, and Europe to supply materials for interlayer film for laminated glass, and decisions to conduct strategic investment for infrastructure development to meet emerging demand in developing countries.

2) Business Results by Company (April 1, 2009 to March 31, 2010)

Housing

Net sales ¥398.2 billion (–6.2%), operating income ¥19.4 billion (+13.3%)

Housing Company sales declined year on year as improved sales in the living environment business were unable to overcome the impact from the low level of new housing construction orders from the second half of fiscal year 2008 through the first half of fiscal year 2009. At the same time, measures to improve operating efficiency and cut costs significantly lowered the break-even point for sales resulting in an increase in income for the company.

The new housing construction business generated year-on-year growth in the number of orders beginning in the third quarter by introducing products with cost-performance features catered to the consumer price ranges with the greatest growth potential and successful product marketing, including the October launch of the Shin Parfait series offering advanced “environmental, comfort, and reassurance" features. The company also promoted the environmental, economical, and high-performance features of its home models and increased the percentage of its products offered with solar power generation systems, Comfortable Air Systems (including Warm Airy), and other high value-added options.

Housing orders finished down year on year owing to the sluggish order trend that persisted through the second quarter of the fiscal year.

The living environment business harnessed the demand stimulation from government subsidy, surplus electricity buyback, and other programs to garner increased orders for its solar power generation systems. The release of attractive environmental and comfort-related products and a strengthened sales force supported a substantial growth in orders over the previous fiscal year.

Urban Infrastructure and Environmental Products

Net sales ¥194.6 billion (–13.6%), operating loss ¥2.4 billion (–)

The UIEP Company posted a sharp drop in sales owing to the slower-than-anticipated construction starts in Japan and the impact from decreased market demand worldwide.

The company fortified its earning capability in the domestic arena by eliminating unprofitable operations and implemented measures to enhance operating efficiency, including overhauling its production structure. However, the improved earning structure was unable to overcome the negative impact from the struggling sales of its core PVC pipe and rain gutter products and in the industrial piping materials business.

Overseas sales also declined amid the worldwide slump in demand. In these conditions, the UIEP Company continued to establish its overseas operating systems, with a focus on companies in the United States and Europe, including the acquisition of Sekisui SPR Europe GmbH, and focused on advancing the functional materials (fiber-reinforced foamed urethane (FFU), sheet) and industrial pipe materials businesses. In December, the company established a jointly-owned manufacturing company for reinforced plastic (composite) piping in Libya as part of its measures to prepare for anticipated growth in water infrastructure construction business in developing countries.

High Performance Plastics

Net sales ¥247.6 billion (–5.7%), operating income ¥19.2 billion (+21.6%)

HPP Company sales declined in fiscal year 2009, largely owing to slumping sales in the automotive and other fields and the impact from the strong yen. The company achieved income growth through a reorganization of the production structure and other measures which lowered the break-even sales point more than originally targeted and by posting healthy sales growth in the IT and medical fields.

Sales in the automotive field moved into a recovery trend during the year but ultimately fell short of last year's result because of struggling sales of interlayer film for laminated glass, polyolefin foam, and interior/exterior resin products in unfavorable market conditions and the impact of the strong yen.

In July, Sekisui Chemicals acquired the polyvinyl alcohol (PVA) resin operations of the U.S. chemical group of Celanese Corporation to further establish a steady supply chain for materials used in interlayer films for laminated glass. In November, the Company and Denki Kagaku Kogyo Co., Ltd., agreed to establish a joint venture company with the aim of manufacturing PVA resin to provide a stable supply of raw materials in the Asia region. The Company also fortified its polyolefin foam operations with the acquisition of Polymer-Tec GmbH, a leading manufacturer and marketer of polyolefin foam products in Europe.

IT segment sales increased from the previous-year levels as demand for LCD panel materials and other electronic materials continued recovering with support from economic stimulus measures in various countries, including China's rural home appliance subsidy program and Japan's "eco-point" subsidy program for the purchase of energy-efficient appliances.

Medical segment sales steadily rose year-on-year on increased shipments of influenza virus diagnostic drugs and contributions from the newly consolidated XenoTech, LLC., and American Diagnostica Inc.

2) Fiscal Year 2010 Forecast

a. Consolidated Forecast

Net sales ¥920.0 billion (+7.2%), operating income ¥42.0 billion (+16.8%), ordinary income ¥40.0 billion (+28.7%), net income ¥17.5 billion (+50.5%)

In the second year of the medium-term business plan GS21-SHINKA!, management will focus on reestablishing the Company's business growth trajectory by vigorously and proactively responding to demand and continuing to enhance the Company's earning power.

The Company anticipates gradual but sustaining improvement in domestic demand in fiscal 2010. In the automotive and IT fields, the overseas water infrastructure business, and other strategic businesses, the Company plans to vigorously respond to growing demand in developing countries, particularly in Asia, and to focus on expanding the environmental and infrastructure stock businesses (housing reform, construction stock, pipeline renewal, etc.).

Management has set fiscal year 2010 performance targets for ¥920.0 billion in net sales, ¥42.0 billion in operating income, ¥40.0 billion in ordinary income, and ¥17.5 billion in net income.

b. Company Forecasts

Housing

Net sales ¥415.0 billion (+4.2%), operating income ¥21.0 billion (+8.2%)

The Housing Company aims to continue expanding its business in fiscal year 2010 amid the stagnant conditions for construction starts by continuing to fortify the earning structure, seeking to increase new housing construction orders, and accelerating the growth of the living environment business. The Housing Company also plans to celebrate the 40th anniversary of the start of the new housing construction business by establishing a nationwide owner support system to strengthen ties with customers and create a cyclical business model to increase opportunities to garner project orders.

The new housing construction business will continue developing earning structures matched to local conditions while also launching a full-force 40th anniversary campaign augmented by vigorous marketing activity and a fortified sales force to highlight the advanced performance capabilities of its housing products. Management will focus on promoting sales and strengthening its product lineup with an emphasis on housing products in the ¥500,000–¥600,000 per *tsubo* (3.3 square meters) range, in which management sees particular potential to expand market share. Demand for new housing construction is growing rapidly in Thailand, and management plans to swiftly develop the unit housing business led by the recently established a local joint company.

The living environment business will continue fortifying its earning structure while seeking to increase sales of key commercial materials by educating and training staff to develop and propose projects incorporating a wider range of products.

Urban Infrastructure and Environmental Products

Net sales ¥203.0 billion (+4.3%), operating income ¥1.0 billion (–)

The UIEP Company anticipates the severe business conditions to persist fiscal year 2010 and plans to implement structural reform to enhance its earning power in Japan and overseas and to expand its growth businesses. The company will continue revise its sales and production structure to maximize profitability for the core PVC pipe and rain gutter product lines in a market based on 800,000 construction starts annually.

The company views the housing and infrastructure stock business as the next driver of business growth and plans to concentrate management resources in the pipeline renewal, condominium reform, and other stock field segments that are expected to see growing demand.

Signs of demand recovery are beginning to appear overseas, particularly in the United States and developing countries, and capital investment spending is on the rise. The company is taking steps to position itself to regain the growth track for its overseas businesses.

The functional materials business aims to be fully responsive to the recovery in aircraft demand and expand operations in its core sheet products field. The pipeline renewal business will focus on expanding results in the core Europe, United States, and Asia regions to realize full-fledged global business development. The overseas water infrastructure construction business plans to launch full operations during the year at Libya Eslon (Sekisui), the recently established joint-venture manufacturing company for reinforced plastic (composite) piping, as it seeks to continue expanding business operations in developing countries.

High Performance Plastics

Net sales ¥285.0 billion (+15.1%), operating income ¥21.0 billion (+9.3%)

The HPP Company plans to leverage the enhanced earning power realized by lowering the break-even point for sales last year to accelerate the growth in strategic business areas. At the same time, the company will seek to begin reaping the return on the large-scale capital investment and M&A that it has carried out in recent years.

The company will continue to concentrate management resources and expand business in the strategic automotive, IT, and medical fields. In the automotive field, the company is planning to expand production capacity and fully activate the synergies with the PVA resin operation acquired in fiscal year 2009 to substantially enhance the global competitiveness of the core interlayer film business. In the IT field, the company is implementing strategies to expand sales of its LCD chemical products and optical films while also cultivating competitive next-generation products. In the medical field, the company is advancing full-fledged global business development on the strength of the two companies acquired in the United States and the new company created by merging two subsidiaries in China.

2. Consolidated Financial Position

1) Cash Flow (April 1, 2009 to March 31, 2010)

Fiscal year 2009 cash flow from operating activities increased ¥74.9 billion from the previous fiscal year. The increase was the result of ¥10.5 billion in income taxes paid being more than offset by increases of ¥23.3 billion in income before income taxes and minority interests and ¥34.5 billion in depreciation and amortization along with decreases of ¥13.2 billion in inventories, ¥4.3 billion in advances received, ¥2.9 billion in loss on disposal of fixed assets unassociated with cash flow, and ¥3.0 billion in amortization of goodwill.

Net cash used in investing activities decreased to ¥55.4 billion. The decline was primarily due to investments, including ¥37.0 billion to acquire tangible fixed assets focused in strategic areas and growth fields, ¥16.2 billion to acquire the PVA resin operations from group companies of the U.S. chemical company Celanese Corporation, and ¥2.9 billion to acquire subsidiary stock to bring clinical reagent company American Diagnostica Inc. (ADI) and other changes in the scope of consolidation.

Net cash provided by financing activities decreased to ¥5.7 billion. The main elements were dividend payments of ¥4.3 billion and a net decrease in interest-bearing debt of ¥1.3 billion.

The result of the above was cash and cash equivalents totaling ¥54.8 billion at the end of fiscal year 2009.

2) Fiscal Year 2010 Forecast

Business operations will continue to be conducted with investment concentration in core business and growth fields and an emphasis on cash flow with the objective of generating free cash flow and further fortifying the Company's financial position.

Trend in Cash Flow Indicators

	FY2006	FY2007	FY2008	FY2009	FY2010 (Forecast)
Equity Ratio (%)	46.7	45.9	45.8	42.6	43.4
Shareholders' equity ratio based on market value (%)	65.3	56.6	40.5	34.0	42.3
Ratio of interest-bearing liabilities to cash flow	2.5	2.7	2.9	3.6	1.8
Interest coverage ratio	14.5	20.4	12.6	13.1	29.4

Notes: Equity ratio = Equity / Total assets
Shareholders' equity ratio based on market value = Total market value of listed shares / Total assets
Ratio of interest-bearing liabilities to cash flow = Interest-bearing debt / Operating cash flow
Interest coverage ratio = Cash flow / Interest payments

1. All indicators are calculated from consolidated figures.
2. Total market value of listed shares is calculated by multiplying the closing stock price at the fiscal term end by the total number of shares outstanding at the fiscal term end.
3. Operating cash flow is the cash flow of operating activities reported in the consolidated statement of cash flows.
4. Interest-bearing debt represents the total amount of debt on which the company pays interest

reported in the consolidated balance sheet. The interest payment amount is the amount reported in the consolidated statement of cash flows.

3) Fundamental Profit Distribution Policy and Dividends for Fiscal Years 2009 and 2010

Increasing corporate value and returning profit to shareholders are fundamental management objectives at Sekisui Chemical. The management objective for shareholder return is to maintain a stable dividend level with a target consolidated-basis dividend payout ratio of 30%.

The company pays dividends twice annually with the dates of record set as the last day of the first half (September 30) and the last day of the fiscal year (March 31). In line with company policy, when in possession of surplus funds, these funds are used for share buyback programs to enhance shareholder return as well as to improve capital efficiency and increase earnings per share. Internal cash reserves are utilized for R&D, capital investment, strategic investment, loans and investments, and other activities essential to the future growth of corporate value.

In fiscal year 2009, the Company distributed a first half dividend of ¥5 and a second half dividend of ¥5 for a full-year dividend distribution of ¥10 per share.

In fiscal year 2010, the Company plans to provide a first half dividend of ¥5 and a second half dividend of ¥5 for a full-year dividend distribution of ¥10 per share.

4. Consolidated Financial Statement (Fiscal Year 2009)

(1)Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2008, Condensed Consolidated Balance Sheet As of March. 31, 2009	End Fiscal Year 2009, Condensed Consolidated Balance Sheet As of March. 31, 2010
(Assets)		
Current Assets		
Cash and deposits	40,842	45,175
Trade notes receivable	44,435	39,783
Accounts receivable	97,950	106,739
Securities	1	20,001
Merchandise and finished goods	44,333	40,197
Subdivision land	23,808	16,822
Work in progress	32,716	31,645
Raw materials and supplies	19,161	18,536
Advances	1,066	759
Prepaid expenses	1,967	2,393
Deferred tax assets	8,338	9,715
Short-term loans	1,395	691
Other	15,390	12,049
Allowance for doubtful accounts	-887	-986
Total current assets	330,521	343,524
Fixed assets		
Tangible fixed assets		
Buildings & structures, net	82,743	89,395
Machinery, equipment and tools, net	60,788	66,940
Land	67,674	69,314
Leased assets, net	9,416	8,044
Construction in progress	11,630	17,918
Other, net	6,576	5,371
Total tangible fixed assets	238,830	256,985
Intangible fixed assets		
Goodwill	25,645	22,909
Software	4,227	4,180
Leased assets	354	263
Other	3,538	6,426
Total intangible assets	33,766	33,780
Investments and other assets		
Investment securities	109,923	116,582
Long-term loans	593	793
Long-term prepaid expenses	1,404	1,244
Deferred income taxes	31,834	25,191
Other	10,366	11,093
Allowance for doubtful accounts	-790	-1,934
Total investments and other assets	153,332	152,970
Total fixed assets	425,929	443,736
Total assets	756,450	787,261

(Millions of Yen)

	End Fiscal Year 2008, Condensed Consolidated Balance Sheet As of March. 31, 2009	End Fiscal Year 2009, Condensed Consolidated Balance Sheet As of March. 31, 2010
(Liabilities)		
Current liabilities		
Trade notes payable	11,469	8,783
Accounts payable	107,327	113,181
Short-term loans	32,446	28,001
Commercial paper	20,000	—
Current portion of bonds	5,365	10,000
Lease obligation	4,431	3,627
Accrued surcharges	7,965	—
Accrued expenses	24,649	25,119
Accrued income taxes	6,297	8,342
Deferred tax liabilities	147	123
Provision for bonuses	12,809	13,188
Provision for directors' bonuses	160	227
Provision for compensation for completed constructions	1,010	1,286
Advances received	33,474	37,812
Other	34,478	35,580
Total current liabilities	302,033	285,275
Fixed liabilities		
Bonds	10,000	10,000
Long-term loans	51,811	76,761
Lease obligation	5,353	4,694
Deferred tax liabilities	2,952	4,397
Provision for retirement allowances	48,195	48,608
Other	5,382	5,816
Total fixed liabilities	123,695	150,279
Total liabilities	425,729	435,554
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,307	109,307
Retained earnings	146,931	154,353
Treasury stock	-10,833	-10,839
Total shareholders' equity	345,408	352,823
Revaluation and translation adjustments		
Unrealized holding gain (loss) on securities	-11,227	-1,037
Deferred hedge income	7	74
Unrealized gain on land revaluation	224	199
Foreign currency translation adjustments	-12,411	-10,017
Total revaluation and translation adjustments	-23,408	-10,781
Share subscription rights	386	503
Minority shareholders' interests	8,334	9,160
Total net assets	330,721	351,706
Total liabilities, net assets	756,450	787,261

(2) Consolidated Profit and Loss Statement

(Fiscal Year 2009)

(Millions of Yen)

	Fiscal Year 2008 (From April. 1, 2008 to March. 31, 2009)	Fiscal Year 2009 (From April. 1, 2009 to March. 31, 2010)
Net sales	934,225	858,514
Cost of sales	680,446	606,123
Gross income	253,779	252,390
Selling, general & administrative expenses	220,189	216,434
Operating Income	33,589	35,955
Non-operating income		
Interest income	1,230	790
Dividend income	2,268	2,021
Investment income by equity method	1,409	1,498
Miscellaneous income	2,454	2,986
Total non-operating income	7,363	7,295
Non-operating expenses		
Interest expenses	2,480	2,253
Interest on Commercial Paper	31	27
Sales discounts	312	277
Foreign exchange loss, net	2,616	998
Miscellaneous expenses	6,073	8,619
Total non-operating expenses	11,513	12,175
Recurring income	29,438	31,076
Extraordinary income		
Gain on sales of property, plant, and equipment	687	1,015
Total extraordinary income	687	1,015
Extraordinary expenses		
Loss on impairment of fixed assets	70	3,456
Structural improvement expenses	4,257	2,302
Surcharges	7,965	—
Loss on revaluation of investments in securities	2,782	—
Loss on devaluation of investments in an unconsolidated subsidiary and an affiliate	453	—
Loss on sales or disposal of property, plant and equipment	1,753	2,988
Total extraordinary expenses	17,283	8,747
Income before income taxes and minority interests	12,842	23,344
Income taxes	9,029	11,510
Diferred taxes	2,485	-1,000
Net income taxes	11,515	10,509
Minority interests	313	1,207
Net income	1,013	11,627

(3) Consolidated Statements of Capital Surplus and Retained Earnings, and changes in Shareholders' Equity

(Millions of Yen)

	Fiscal Year 2008 (From April. 1, 2008 to March. 31, 2009)	Fiscal Year 2009 (From April. 1, 2009 to March. 31, 2010)
Shareholders' Equity		
Common stock		
Balance at the end of the previous accouting period	100,002	100,002
Changes		
Total Changes	—	—
Balance at the end of the current accouting period	100,002	100,002
Capital surplus		
Balance at the end of the previous accouting period	109,420	109,307
Changes		
Cancellation of treasury stock	-59	-0
Total Changes	-59	-0
Balance at the end of the current accouting period	109,307	109,307
Retained earnings		
Balance at the end of the previous accouting period	154,073	146,931
Increase (Decrease) from changes due to accouting procedure in overseas bussidiaries	-42	—
Changes		
Dividends on retained earnings	-7,887	-4,205
Net income	1,013	11,627
Increase in retained earnings due to increase in consolidated subsidiaries	—	0
Decrease in retained earnings due to increase in consolidated subsidiaries	-226	—
Total Changes	-7,100	7,421
Balance at the end of the current accouting period	146,931	154,353
Treasury stock		
Balance at the end of the previous accouting period	-10,844	-10,833
Changes		
Acquisition of treasury stock	-150	-20
Cancellation of treasury stock	161	14
Total Changes	10	-5
Balance at the end of the current accouting period	-10,833	-10,839
Total shareholders' equity		
Balance at the end of the previous accouting period	352,599	345,408
Increase (Decrease) from changes due to accouting procedure in overseas bussidiaries	-42	—
Changes		
Dividends on retained earnings	-7,887	-4,205
Net income	1,013	11,627
Increase in retained earnings due to increase in consolidated subsidiaries	—	0
Decrease in retained earnings due to increase in consolidated subsidiaries	-226	—
Acquisition of treasury stock	-150	-20
Cancellation of treasury stock	102	13
Total Changes	-7,148	7,415
Balance at the end of the current accouting period	345,408	352,823

(3) Consolidated Statements of Capital Surplus and Retained Earnings, and changes in Shareholders' Equity

(Millions of Yen)

	Fiscal Year 2008 (From April. 1, 2008 to March. 31, 2009)	Fiscal Year 2009 (From April. 1, 2009 to March. 31, 2010)
Revaluation and Translation Adjustments		
Unrealized holding gain (loss) on securities		
Balance at the end of the previous accouting period	-933	-11,227
Changes		
Changes in items other than shareholders' equity (net)	-10,294	10,190
Total Changes	-10,294	10,190
Balance at the end of the current accouting period	-11,227	-1,037
Deferred gains or losses on hedges		
Balance at the end of the previous accouting period	—	7
Changes		
Changes in items other than shareholders' equity (net)	7	66
Total Changes	7	66
Balance at the end of the current accouting period	7	74
Unrealized gain on land revaluation		
Balance at the end of the previous accouting period	217	224
Changes		
Changes in items other than shareholders' equity (net)	6	-24
Total Changes	6	-24
Balance at the end of the current accouting period	224	199
Foreign currency translation adjustments		
Balance at the end of the previous accouting period	7,033	-12,411
Changes		
Changes in items other than shareholders' equity (net)	-19,445	2,394
Total Changes	-19,445	2,394
Balance at the end of the current accouting period	-12,411	-10,017
Total revaluation and translation adjustments		
Balance at the end of the previous accouting period	6,317	-23,408
Changes		
Changes in items other than shareholders' equity (net)	-29,726	12,626
Total Changes	-29,726	12,626
Balance at the end of the current accouting period	-23,408	-10,781
Share subscription rights		
Balance at the end of the previous accouting period	237	386
Changes		
Changes in items other than shareholders' equity (net)	149	117
Total Changes	149	117
Balance at the end of the current accouting period	386	503
Minority shareholders' interests		
Balance at the end of the previous accouting period	9,764	8,334
Changes		
Changes in items other than shareholders' equity (net)	-1,430	826
Total Changes	-1,430	826
Balance at the end of the current accouting period	8,334	9,160
Total net assets		
Balance at the end of the previous accouting period	368,919	330,721
Increase (Decrease) from changes due to accouting procedure	-42	—
Changes		
Dividends on retained earnings	-7,887	-4,205
Net income	1,013	11,627
Increase in retained earnings due to increase in consolidated subsidiaries	—	0
Decrease in retained earnings due to increase in consolidated subsidiaries	-226	—
Acquisition of treasury stock	-150	-20
Cancellation of treasury stock	102	13
Changes in items other than shareholders' equity (net)	-31,006	13,569
Total Changes	-38,155	20,985
Balance at the end of the current accouting period	330,721	351,706

(4)Consolidated Statements of Cash Flows

(Fiscal Year 2009) (Millions of Yen)

	Fiscal Year 2008 (From April. 1, 2008 to March. 31, 2009)	Fiscal Year 2009 (From April. 1, 2009 to March. 31, 2010)
Operating activities		
Income (loss) before income taxes and minority interests	12,842	23,344
Depreciation and amortization	36,529	34,525
Goodwill amortization	2,426	3,083
Loss on impairment of fixed assets	70	3,456
Loss on disposal of property, plant and equipment	1,642	2,950
Loss on revaluation of marketable and investment securities	2,782	—
Increase (decrease) in allowance for retirement benefits	-5,914	387
Interest and dividend income	-3,499	-2,811
Interest expense	2,823	2,557
Equity in earnings of affiliates	-1,409	-1,498
Decrease (increase) in trade notes and accounts receivable	20,363	-2,865
Decrease (increase) in inventories	-6,079	13,293
Increase (decrease) in account payable	-17,363	753
Increase (decrease) in advances received	-733	4,332
Other	3,984	6,395
Subtotal	48,466	87,904
Interest and dividends received	3,952	3,257
Interest paid	-2,711	-2,546
Surcharges paid	—	-7,965
Income taxes refunded	—	4,868
Income taxes paid	-14,096	-10,535
Net cash provided by operating activities	35,611	74,983
Investing activities		
Purchases of property, plant and equipment	-25,749	-37,061
Proceeds from sales of property, plant and equipment	1,199	2,285
Purchases of investment securities	-3,876	-1,389
Proceeds from sales or redemption of investment securities	5,373	2,056
Acquisition of securities in subsidiaries resulting in change in scope of consolidation	-9,523	-2,908
Expenses associated with subsidiary acquisition	—	-16,288
Acquisition of securities in subsidiaries from minority shareholders	—	-201
Purchases of intangible assets	-1,913	-1,990
Increase (decrease) in short-term loans	-535	—
Other	-378	-0
Net cash used in investing activities	-35,403	-55,496
Financing activities		
Decrease (increase) from short-term loans payble, net	-493	-9,007
Payment for return of finance leases	-5,850	-5,083
Net increase (decrease) in commercial paper	20,000	-20,000
Proceeds from long-term loans	15,592	32,545
Repayment of long-term loans	-7,299	-4,419
Proceeds from bond issue	—	10,000
Payment of the redemption of bonds	—	-5,382
Dividends paid	-7,885	-4,209
Cash dividends paid to minority shareholders of consolidated subsidiaries	-110	-152
Purchase of treasury stock	-147	—
Other	84	-40
Net cash used in financing activities	13,889	-5,749
Effect of exchange rate changes on cash and cash equivalents	-3,825	602
Net increase in cash and cash equivalents	10,271	14,339
Cash and cash equivalents at beginning of term	29,852	40,488
Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	363	28
Cash and cash equivalents at end of term	40,488	54,855

(5) Notes regarding the premise of a going concern

No significant changes during the term under review.

(6) Important items regarding the basis of preparation of the consolidated financial statements

No significant changes in the period since the Summary of Financial Results for the Fiscal Year 2008 issued on June 26, 2009.

(7) Changes in important items regarding the basis of preparation of the consolidated financial statements

Change in accounting standards:

The Company had previously utilized the completed-contract method of accounting for contracted construction projects. In fiscal year 2009 (commencing April 1, 2009), the Company adopted the percentage-of-completion method as outlined in the "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan (ASBJ) Statement No.15, issued on December 27, 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Statement No.18, issued on December 27, 2007).

This revision had a minimal effect on the consolidated financial statements for quarter or the segment information.

Beginning in the consolidated fiscal year commencing April 1, 2009, the Company has applied the following revised accounting principles issued by the ASBJ on December 26, 2008, regarding the initial integration of a business combination and business divestitures: Accounting Standard for Business Combinations (ASBJ Statement No. 21), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16), Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10).

5. Segment Information

1) Business Segments

Fiscal Year 2008(April. 1, 2008 to March. 31, 2009) (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	424,436	213,642	255,450	40,695	934,225	—	934,225
(2)Intersegment	56	11,577	7,192	5,499	24,325	-24,325	—
Total	424,492	225,219	262,642	46,195	958,550	-24,325	934,225
Operating expenses	407,358	223,568	246,845	46,870	924,643	-24,007	900,635
Operating income (loss)	17,134	1,650	15,797	-675	33,907	-317	33,589
II. Assets	183,454	173,993	230,423	43,245	631,118	125,332	756,450
Depreciation and amortization	8,728	7,803	17,124	2,251	35,907	621	36,529
Loss on asset impairment	—	—	70	—	70	—	70
Capital expenditures	6,202	6,233	19,132	1,926	33,495	1,044	34,539

Note: Companywide assets, including those listed in the eliminations or unallocatable accounts category, were 184,827 million yen in fiscal year 2008. This mainly consisted of cash and cash equivalents and long-term investments (investment securities) held by the parent company, assets related to administrative departments and deferred tax assets.

Fiscal Year 2009(April. 1, 2009 to March. 31, 2010) (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	398,130	182,689	241,390	36,304	858,513	—	858,514
(2)Intersegment	115	11,960	6,293	6,480	24,849	-24,849	—
Total	398,245	194,649	247,683	42,785	883,363	-24,849	858,514
Operating expenses	378,834	197,058	228,476	42,452	846,822	-24,264	822,558
Operating income (loss)	19,410	-2,409	19,207	332	36,541	-585	35,955
II. Assets	190,323	160,321	270,652	43,606	664,904	122,356	787,261
Depreciation and amortization	8,065	7,614	16,112	2,032	33,824	700	34,525
Loss on asset impairment	2,213	556	686	—	3,456	—	3,456
Capital expenditures	6,405	5,059	30,690	716	42,873	1,176	44,049

Note: Companywide assets, including those listed in the eliminations or unallocatable accounts category, were 198,969 million yen in fiscal year 2009. This mainly consisted of cash and cash equivalents and long-term investments (investment securities) held by the parent company, assets related to administrative departments and deferred tax assets.

2) Geographical Segments

Fiscal Year 2008(April. 1, 2008 to March. 31, 2009) (Millions of yen)

	Japan	United States	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	805,903	33,899	42,264	46,632	5,525	934,225	—	934,225
(2)Intersegment	29,407	2,083	1,386	3,306	279	36,463	-36,463	—
Total	835,310	35,983	43,650	49,938	5,804	970,688	-36,463	934,225
Operating expenses	810,170	34,237	40,408	48,267	4,962	938,046	-37,410	900,635
Operating income	25,139	1,745	3,242	1,670	842	32,641	947	33,589
II. Assets	523,838	31,746	36,770	44,641	4,880	641,877	114,573	756,450

Notes: 1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions other than Japan:
(1) United States: The United States of America
(2) Europe: Germany, the United Kingdom, the Netherlands, Switzerland, Italy, Spain and France
(3) Asia: Thailand, South Korea, Singapore, China, Taiwan, and UAE
(4) Other: Mexico and Australia

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

Fiscal Year 2009(April. 1, 2009 to March. 31, 2010) (Millions of yen)

	Japan	United States	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	739,820	33,310	38,550	40,160	6,671	858,514	—	858,514
(2)Intersegment	30,664	3,683	1,823	2,509	366	39,047	-39,047	—
Total	770,485	36,993	40,373	42,670	7,037	897,561	-39,047	858,514
Operating expenses	738,892	36,792	38,600	41,307	6,045	861,637	-39,079	822,558
Operating income	31,593	201	1,773	1,363	992	35,923	32	35,955
II. Assets	525,014	47,664	50,161	46,107	6,233	675,181	112,080	787,261

Notes: 1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions other than Japan:
(1) United States: The United States of America
(2) Europe: Germany, the United Kingdom, the Netherlands, Switzerland, Italy, Spain and France
(3) Asia: Thailand, South Korea, Singapore, China, Taiwan, and UAE
(4) Other: Mexico and Australia

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

3) Overseas Net Sales

Fiscal Year 2008(April. 1, 2008 to March. 31, 2009)

	United States	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	38,985	47,626	59,022	5,961	151,596
II Consolidated net sales (millions of yen)					934,225
III Overseas net sales as a ratio of consolidated net sales (%)	4.2	5.1	6.3	0.6	16.2

Notes: 1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
(1) United States: The United States of America
(2) Europe: Germany, the United Kingdom, the Netherlands, Switzerland, Italy, Spain and France
(3) Asia: Thailand, South Korea, Singapore, China, Taiwan, and UAE
(4) Other: Mexico and Australia

3. Overseas sales represent the amount of sales within each country or region and exclude sales of the parent company and consolidated subsidiaries in Japan.

Fiscal Year 2009(April. 1, 2009 to March. 31, 2010)

	United States	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	37,604	41,543	55,035	6,800	140,983
II Consolidated net sales (millions of yen)					858,514
III Overseas net sales as a ratio of consolidated net sales (%)	4.4	4.8	6.4	0.8	16.4

Notes: 1. Country and regional segments are classified on the basis of geographic proximity.
2. Principal countries and regions:
(1) United States: The United States of America
(2) Europe: Germany, the United Kingdom, the Netherlands, Switzerland, Italy, Spain and France
(3) Asia: Thailand, South Korea, Singapore, China, Taiwan, and UAE
(4) Other: Mexico and Australia

3. Overseas sales represent the amount of sales within each country or region and exclude sales of the parent company and consolidated subsidiaries in Japan.