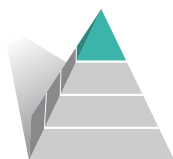


OUR PRINCIPLE

Sekisui Chemical Group's Principle ("Our Principle") comprises elements such as our Company Creed, Mission Statement, Group Vision that expresses an ideal form aimed for by the Group in the mid-term, and our concrete Business Strategy (e.g. Midterm Management Plan) to realize the Group Vision. Based on Our Principle, it is our aim to create social values as a unified group.





COMPANY CREED

The “3S Principle” (Service, Speed, Superiority)

Service

We enhance the well-being of the world community through our global business network

Speed

We surge ever forward into new fields of development with the power and vitality of a mighty waterfall

Superiority

We obtain the trust of our customers through superior operational performance and the highest quality standard

The “3S Principle”

Our company badge comprises the three S’s of the company’s original name, adopted at the time of its foundation, “SEKISUI SANGYO” enclosed in a hexagonal shape resembling a tortoise shell (the chemical symbol for benzene), symbolizing the Chinese character meaning “water.”

In November 1959, this mark was defined as the “3S Principle” and formally established as the company creed.

“The difference between people living their lives in accordance with ideals and those simply going where the currents and eddies of life take them becomes ever more apparent as the long years of their lives pass. The same is true of business. Only when employees mass under a common ideal arising from a basic policy of business management can the company demonstrate its great power as a corporate community.”

It was in the spirit of this intent that the 3S Principle comprising Service, Speed and Superiority was established as the motto of SEKISUI.



Origin of Company Name

SEKISUI means “pent-up water.” An expression used by Sun Tzu in his classic treatise.

The onrush of a conquering force is like the bursting of pent-up waters into a chasm a thousand fathoms deep.

Meaning of “SEKISUI”

“The battle of victor is determined in a fell swoop with tremendous force, just as a full body of water (pent-up water or “SEKISUI”) let drop into a deep gorge.”

Adoption of this concept into corporate activities:

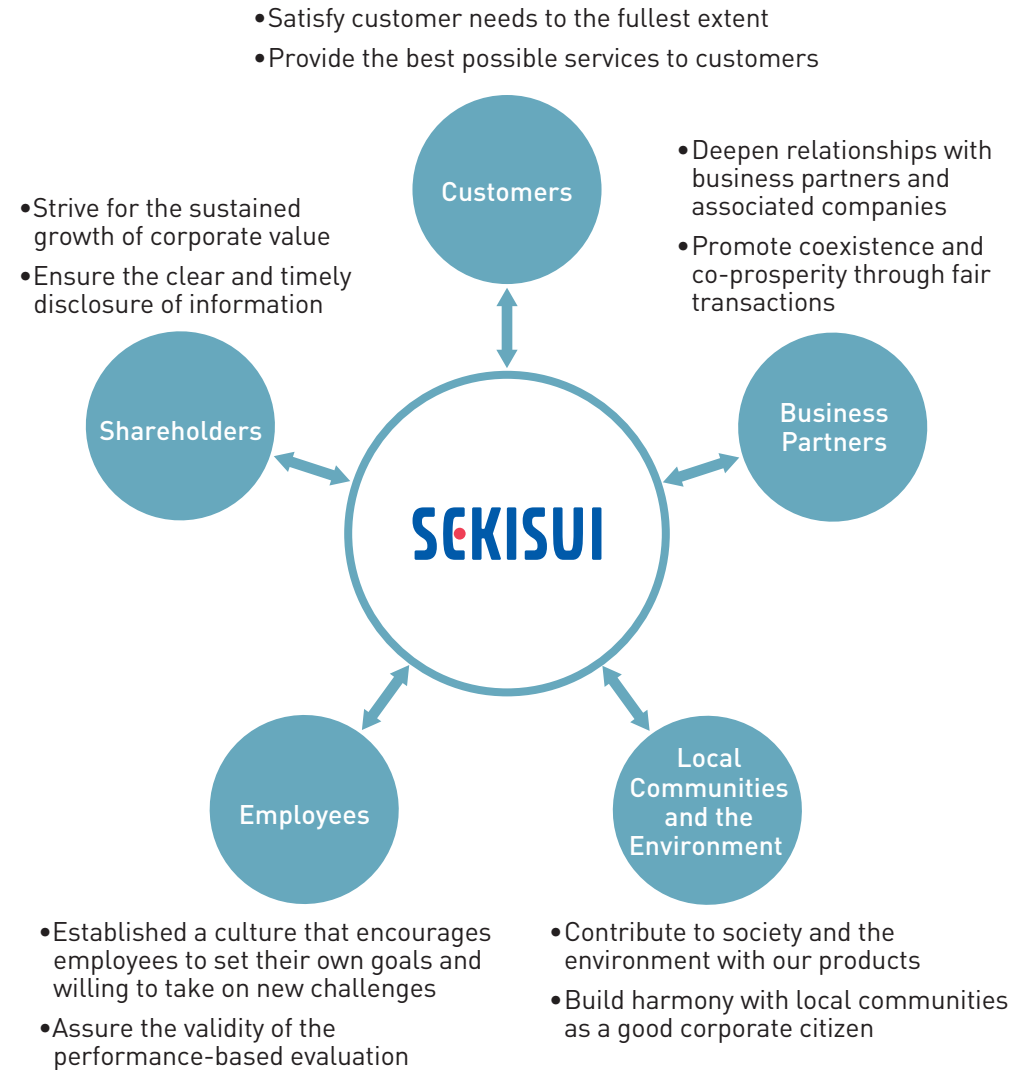
The expansion of business activities will inevitably experience problems and challenges. To overcome such difficulties, it is important both to gain a full understanding of and to analyze one’s opponent’s circumstances, to consolidate one’s own structure and then to release the power of pent-up waters to do battle and be victorious.



MISSION STATEMENT

Create social value while fulfilling stakeholder expectations

Sekisui Chemical Group will fulfill stakeholder expectations of our “Customers”, “Shareholders”, “Employees”, “Business Partners”, “Local Communities and Environment.”





GROUP VISION

Sekisui Chemical Group will continue to develop the frontiers of “Creation of Housing/Social infrastructure” and “Chemical Solutions,” utilizing its prominent technology and quality, thereby contributing to people’s lives around the world and global environment.

The Group Vision contains the intention of the Sekisui Chemical Group.

All Group employees will realize the intention and aim to build up a business group that is trusted and expected.

Prominent Technology and Quality

We provide quality that satisfies customers, including technology accumulated over many years in the plastics processing and housing sectors, as well as “hard” products and “soft” services and solutions.

Creation of Housing/Social Infrastructure

We offer housing and related materials, and infrastructure related to water and the environment, which make full use of advanced technology.

Chemical Solutions

We supply chemical products that anticipate the advanced needs of customers in the industrial fields of transport equipment, electronics, healthcare, etc.

Frontier of Development

We create new value while exploring and expanding business, in keeping with the progressive spirit of development that flows through the Sekisui Chemical Group.

People’s Lives Around the World

We contribute to improving the quality of people’s lives by responding to global markets and taking part in global activities.

Global Environment

We seek to create an environment in which people of the next generation can enjoy true peace of mind through business that combines ecology and economy.

CSR (Corporate Social Responsibility)

The Sekisui Chemical Group's Fundamental Commitment to CSR

The Sekisui Chemical Group's CSR is to contribute to society through its business activities. Since its founding, Sekisui Chemical has offered products and services ranging from resin pipe, foam resin materials, and pipeline renewal to unit housing to proactively contribute to social needs. CSR is integral to our business and a core aspect of our corporate ethos.

The Sekisui Chemical Group has five groups of stakeholders, and our relationship with each group and each stakeholder is essential to carrying out our CSR activities. We constantly seek to improve our CSR activities and fulfill our responsibilities by listening sincerely to stakeholder feedback and opinions and reflecting in our operations stakeholder views on a wide range of social issues as well as their expectations and hopes for the Group.

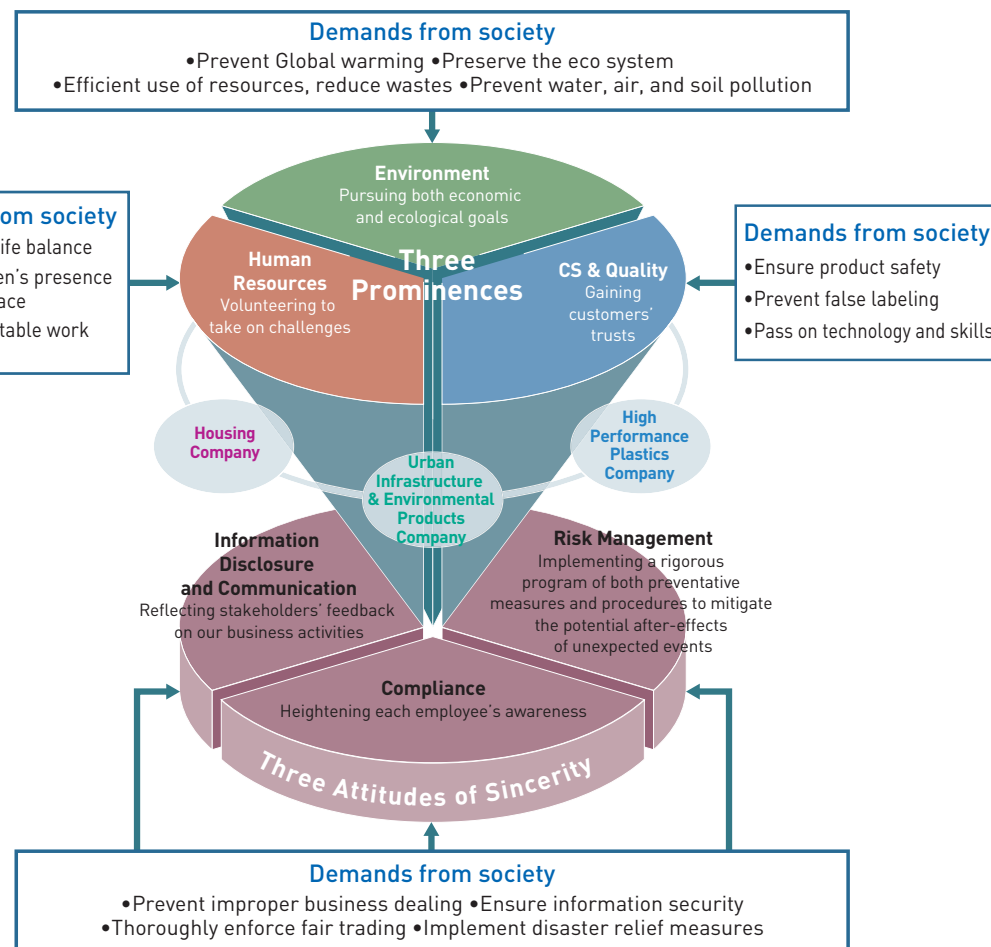
GS21-SHINKA!, the new medium-term management plan launched in fiscal year 2009, provides a framework for achieving success in our business. As we implement this plan, we view our CSR activities as the embodiment of the character of our business and as reflecting the quality of our corporate management. CSR is a fundamental aspect as well as the growth and transformation of our business, and we aim to continue earning our status as a company that fulfills society's expectations and earns society's trust.

CSR Advancement and Recognition (as of March 2009)

The Sekisui Chemical Group's CSR management continues to receive praise from independent external organizations. For two consecutive years, the company has been named one of the Global 100 Most Sustainable Corporations in the World by Corporate Knights Inc. and Innovest Strategic Value Advisors Inc. The company is also included in several socially responsible investment (SRI) indices and funds.



In addition, in March 2009, the Company added its support to the United Nations Global Compact, a strategic policy initiative for businesses committed to sustainability and responsible business practices. We intend to fully respect the compact's core values and principles and give careful consideration to its guidelines and evaluation indices as we fulfill our CSR and further improve upon our CSR activities.



Further details on the Sekisui Chemical Group's CSR activities and a downloadable CSR Report are available online at:
<http://www.sekisuicheical.com/csr/index.html>



HIGH PERFORMANCE PLASTICS COMPANY

Innovative technology to meet the needs in advanced fields,
high value-added materials to contribute to society around the world

Prominence in the Environment

— Simultaneously enhancing the high value-added and reducing environmental burden of our products

The HPP Company's thermal-insulating interlayer film for laminated glass substantially blocks infrared rays and, when applied to automobile windshields, greatly reduces heat buildup inside the vehicles, decreasing the amount of energy used for air conditioning. The company's lineup of interlayer films with sound insulating properties is also designed to provide environmental and comfort benefits.

The production operations of the HPP Company require the use of a large number of chemical substances and consumption of a relatively large amount of energy. Reducing the environmental burden of its operations is a priority management issue. The company employs extensive measures to properly manage the handling and use of chemical substances to minimize discharges of volatile organic compounds (VOCs) and eliminate the environmental impact of its operations.

In fiscal year 2008, we successfully reduced total emission volumes into the atmosphere to roughly half the amount in fiscal year 2000. We have also greatly reduced CO₂ emission through the installation of new cogeneration systems and other steps to reduce the amount of energy consumed by our operations.

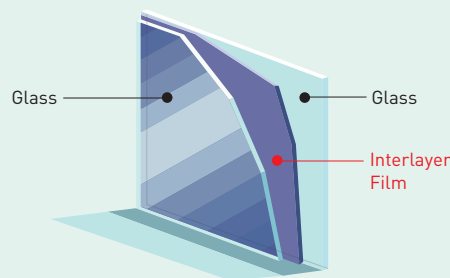
The HPP Company continues to actively implement measures to reduce the environmental burden of its products and operating activities while simultaneously enhancing the value-added of its products.

Prominence in the Quality of Customer Satisfaction

— Consummate quality control globally for business prominence

For a materials manufacturer, new technology development and improving product quality are essential to raising customer satisfaction. For this reason, the HPP Company has established various systems with the express objective of enhancing the effectiveness of our quality control.

Cross-section view of Interlayer Film for Laminated Glass



In the interlayer film and foam businesses, for example, the company runs a "Mother Factory" in Japan for product trial manufacture and mass production. The processes perfected and quality control know-how gained at the Mother Factory are then introduced and utilized at overseas production bases. The company also actively applies the Group's Material Flow Cost Accounting to maintain its high quality standards and improve production yield rates.



Quality control in the IT field

Prominence in Human Resources

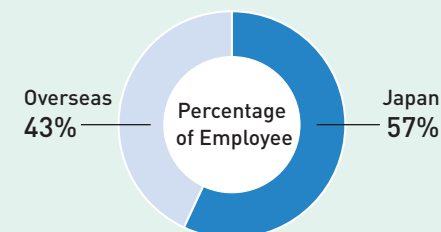
— Cultivating human resources globally to promote overseas business development

The HPP Company's broadening global operations have been accompanied by a growing international face of its workforce, and in March 2009 over 40% of its employees were working overseas. Cultivating a "global workforce" that can function seamlessly in any region of the world is a major theme for the company. The company has introduced a variety of training programs to develop its global workforce. Such programs include two-year assignments to an overseas office for young Japanese staff, a Global Training System to provide employees with practical work experience overseas, and a Management Training Program (MTP) to provide management personnel direct experience at affiliated companies overseas.



MTP training

In recent years, the company has also seen increases around the world in the number of female employees. The HPP Company will continue to develop its global workforce and operations while providing work environments that are fully supportive for each and every employee to utilize their talents to the fullest without limits due to sex, career path, or specialty.





URBAN INFRASTRUCTURE & ENVIRONMENTAL PRODUCTS COMPANY

Accurately responding to society's evolving needs, supporting social infrastructure for the safety and comfort of people

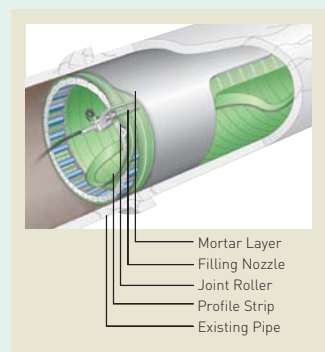
Prominence in the Environment

— **Helping preserve the environment through our business operations, reducing the environmental burden from our activities on every level**

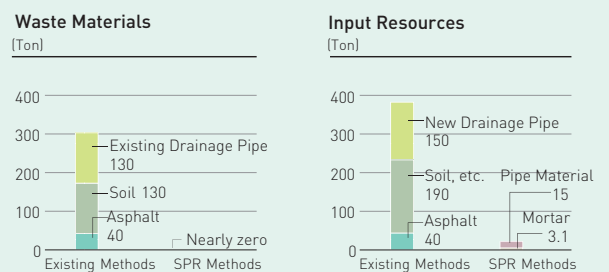
Our pipeline renewal business utilizes a “non-excavation method” that allows the replacement or rehabilitation of underground sewage pipes without the need to dig up the road surface. This innovative method shortens project periods without shutting down the sewer pipes or closing the roads to traffic. Our non-excavation method greatly reduces costs and emissions compared to previous methods.

The Sekisui Chemical Group has been aggressively applying its Policy to Promote Capital Investment for CO₂ Reduction since adopting the policy in January 2007. This policy and our ongoing efforts to introduce production innovations are helping to realize significant reductions in the volume of CO₂ emissions from our manufacturing operations.

The UIEP Company is helping preserve and protect the environment through the positive contributions from its business activities and also by reducing the environmental impact of those business activities.



Comparison of Existing Methods and SPR Methods



* Estimation by Sekisui Chemical (requirement for calculations): (Circumference of a hole) 1.7 meters X 1.5 meters (in thickness), Length of pipe 30 meters, amount of earth above pipe, 1 meter

Prominence in Customer Satisfaction

— **Creating “Customer Value” and “Social Value” and anticipating needs**

The UIEP Company contributes to the improvement of social infrastructure through the various individual products as well as systems incorporating numerous products it develops and markets in its diverse range of businesses.

The company also contributes new value for the changing society through its new piping material business. For example, water supply system utilizing pipes with superior seismic capacity can secure an uninterrupted supply of water even in earthquake emergencies. And the relative ease with which its highly flexible pipes can be installed facilitates for the renewal of aging existing pipes.

The company has the ability to meet needs related to social infrastructure not just in Japan but on a global scale, with the ability to contribute to the renewal of social infrastructure in advanced nations and provide water transport systems for developing nations.



Laying high-function pipes with superior seismic capacity and ease of installation

Prominence in Human Resources

— **Maintaining the technical tradition and elevating the inherent proficiency of manufacturing development staff**

The UIEP Company seeks to support the continuation of the Group's technical tradition through generational transitions and elevate the level of inherent proficiency of its employees at its production facilities. The company was the first in the Group to activate the Master System and Professional System and set up and runs technical accreditation programs associated with manufacturing development for individuals at each of its operating sites.

The company has also developed and implements a total production maintenance (TPM) approach in which maintaining the equipment is the responsibility of each worker. This system, which preserves and lengthens the working life of equipment, is now widely used in Japan and has been steadily introduced to overseas operations in recent.



The Safety Training Center promoting the Group's technical tradition



HOUSING COMPANY

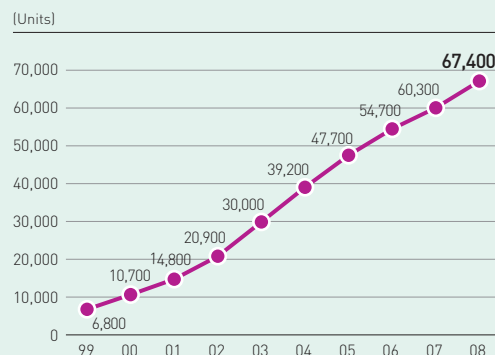
Providing environmentally friendly homes designed for long-term safe and comfortable living

Prominence in the Environment

— **Helping reduce society's overall CO₂ emissions with the world's top selling solar-powered homes**

The Housing Company was the first homebuilder to develop and market solar-powered homes as the next generation of environmentally friendly residences in Japan. The company is the industry leader in solar-powered home sales in Japan, having constructed over 65,000 solar-powered residences from the first home in 1998 through fiscal year 2008 and installed a full one-seventh of all the residential solar power generators in Japan. Converted to CO₂ emissions, these homes reduce CO₂ emissions by approximately 129,000 tons annually, which is roughly equivalent to the CO₂ absorbed by a 9,200-hectare forest each year (9,200 hectares is about 180 times the size of Tokyo Disneyland). The Sekisui Heim housing units are specially designed with flat rooftops to accommodate a large number of photovoltaic solar panels and maximize electric power generation along with excellent heat insulation, airtightness, and other features that minimize energy consumption. The houses not only help preserve the environment, they are also economical, as they reduce annual lighting and heating costs to virtually zero.

Sales of Sekisui Heim Homes with Solar-power Generators



Prominence in Customer Satisfaction

— **Long-term housing supported by the "60-Year Support System"**

While society is seeking housing that is comfortable and environmentally friendly, people also want good-quality homes that they can live in for a long period of time.

The level of unit-by-unit quality control that is possible only because the units are constructed inside the factory enables the Housing Company to provide products with the world's highest level of seismic resistance, durability, heat insulation, and airtightness capabilities. The company also offers residents a

lifelong support program through its "60-Year Support System" providing periodic inspections, maintenance, reform, relocation, sales, and a variety of other services geared to each life stage. The company also holds Customer and Top (CAT) Meetings for Housing Company management and top management of housing sales companies to meet directly with customers and hear their comments and opinions. CAT Meetings with some 7,000 customers since the program started in fiscal year 2005 has provided invaluable feedback that has helped us improve our products and services.



A CAT Meeting

Prominence in Human Resources

— **Female employees taking larger roles in construction, reform, and product development**

It is estimated that women make as much as half of all decisions to purchase a home and more than 60% of the decisions related to refurbishing their homes, such as reforming kitchen, bathrooms, or interiors. From the product and services sales side as well, these statistics highlight how female staff are indispensable to meeting customer needs. The Housing Company is actively increasing the number of female staff managers in each of the new construction, refurbishing, interior, product development, and other divisions. The company continues to broaden the range of positions held by its female employees and is taking steps to ensure supportive and productive working environments for all staff.



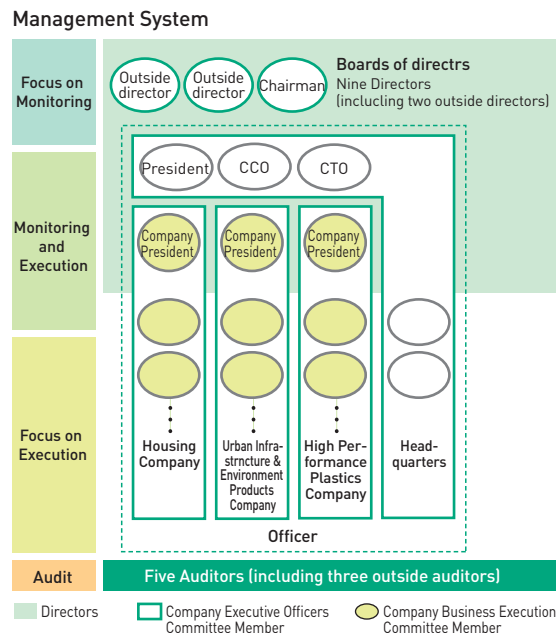
Female staff at the work site

CORPORATE GOVERNANCE

The Sekisui Chemical Group has revised its corporate governance system during the fiscal year 2008, including introducing external board members and corporate executive officers, to further enhance its business transparency and fairness and to speed up its ability to respond to business opportunity. In addition, the Group implements various programs to heighten the compliance awareness and understanding of all executives, officers, and employees throughout the Group with the intention of maintaining and continuing to earn its status as a company broadly trusted by society.

Corporate Governance Basic Policies and Systems

The Group has created a management framework designed to maximize corporate value based on division company system. Amid the rapid changes in the Group's business environment, the Group recognizes that enhancing business transparency and fairness and speeding up management decision-making is essential to sustaining steady growth in corporate value. We have instituted several measures to our corporate governance system, including strengthening the Board of Directors and Business Execution Function.



Reorganization of the Board of Directors

The Board of Directors oversees and guides the company's management in the establishment of company's fundamental policies, management judgment, and business execution. The Board includes independent, external Directors to ensure full transparency and fairness in business decisions and operations. To expedite business decisions, the number of Directors has been reduced to nine.

Introduction of External Directors

Two External Directors have been appointed to the Board to provide advice and oversight based on their extensive administrative experience and specialized knowledge. We will receive advice based on their diverse, yet objective perspectives especially on matters which we put much emphasis on that concern the global development strategy, the reestablishment of the core domestic business, and the strengthening of compliance management.

Strengthened Business Execution Function

We introduced the Corporate Officer System to separate the auditing (directors) and business execution (corporate officer) functions in April 2008 to speed up response to the changing business conditions for each division company.

Introduction of the Corporate Officer System

The Corporate Officer System establishes the position of Corporate Officer to focus solely on business execution with the aim of realizing quick response business opportunities. Each division company is establishing a Corporate Officers Committee to be the company's highest decision-making body and is delegating substantial authority previously carried by the Board of Directors to the Corporate Officers Committee.

Corporate Officers will be appointed by decision of the Board of Directors and will serve for one year.

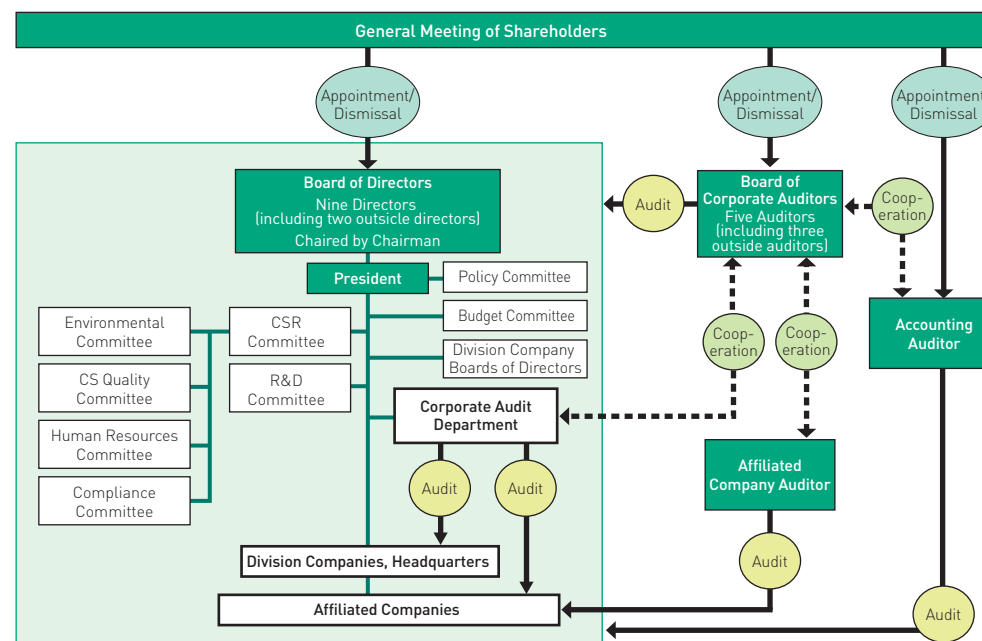
Audit System

The Group has built several auditing roles into the fundamental framework of its management and operation monitoring processes. The audit system is constructed to promote coordinated activities of corporate auditors and internal auditors as an additional step to audit accuracy and effectiveness. The Board of Corporate Auditors comprises five auditors (including three external auditors) conducting broad audits of the execution of duties by the Board of Directors, all division companies, and headquarters.

Reinforcement of the Internal Control System

In May 2006, the Board of Directors resolved to establish a fundamental policy regarding the construction of an internal control system for ensuring the appropriateness of our business activities. Based on the Group management principles set forth in the Corporate Activity Guidelines, the system establishes close interconnection of the supervision, directives, and communications of the Sekisui Chemical Group (the company and subsidiaries), and charges Sekisui Chemical with the duty to lead, advise, and evaluate the Sekisui Chemical Group to ensure appropriate business activities by all Group members. To further fortify the Group's compliance activities, the CSR Committee headed by president deliberates the Fundamental Compliance Policies with authorization of the Board of Directors. We have also established the position of Chief Compliance Officer (CCO) to act as committee chair, to plan education, training and other compliance-related activities and measures. The system is intended to reinforce our overall compliance activities and further emphasize compliance as a fundamental aspect of our corporate culture.

Corporate Governance System



DIRECTORS, AUDITORS AND OFFICERS

BOARD OF DIRECTORS

Naotake Okubo

Chairman of the Board and Representative Director

Naofumi Negishi

President and Representative Director,
Chief Executive Officer

Takayoshi Matsunaga

Director, Senior Managing Executive Officer

Tetsuji Izu

Director, Senior Managing Executive Officer

Yoshiyuki Takitani

Director, Senior Managing Executive Officer

Ken Yoshida

Director, Senior Managing Executive Officer

Teiji Kouge

Director, Senior Managing Executive Officer

Shigemi Tamura (Outside Director)

Adviser, Tokyo Electric Power Company

Toru Tsuji (Outside Director)

Senior Corporate Advisor, Marubeni Corporation

CORPORATE AUDITORS

Masashi Takai

Eiji Manshou

Tadashi Kunihiro (Outside Auditor)

Attorney at Law

Tamio Morimoto (Outside Auditor)

Certified Public Accountant

Hiroshi Osada (Outside Auditor)

Tokyo Institute of Technology Professor,
Graduate School of Innovation Management

CORPORATE OFFICERS

Naofumi Negishi

Chief Executive Officer

Housing Company

Teiji Kouge

Senior Managing Executive Officer
President of Housing Company

Hidemi Uno

Managing Executive Officer
Head of Technology Department

Keiji Kobayashi

Managing Executive Officer
Responsible for Sales Division
Head of Housing Division

Hiroyuki Watanabe

Executive Officer
President of Tokyo Sekisui Heim Co., Ltd.
President of Tokyo Sekisui Fami S Co., Ltd.
President of Sekisui Heim Real Estate Co., Ltd.

Toshirou Takeda

Executive Officer
Head of CS Promotion & Quality Assurance Department

Kazumasa Murakami

Executive Officer
President of Sekisui Heim Kyushu Co., Ltd.
President of Sekisui Fami S Kyushu Co., Ltd.
President of Kyushu Sekisui Heim Real Estate Co., Ltd.
President of Nishinohon Sekisui Industry Co., Ltd.

Shunichi Sekiguchi

Executive Officer
Head of Living Environment Division
Head of Diversified Business Group

Yoshikazu Nakamura

Executive Officer
Head of Research & Development Department
Head of Product Development

Urban Infrastructure & Environmental Products Company

Yoshiyuki Takitani

Senior Managing Executive Officer
President of Urban Infrastructure & Environmental Products Company

Yoshikazu Marushita

Managing Executive Officer
Responsible for Global Water Pipe Systems Division
Head of Business Planning Department

Tatsuo Sudou

Executive Officer
Responsible for Esilon Pipe Systems Division

Kozo Takami

Executive Officer
Responsible for Pipeline Renewal Division
and Wood Business Promotion Department

Yasuo Yamabe

Executive Officer
Responsible for Research & Development
and Industrial Piping & Materials Division

Masaru Teramae

Executive Officer
Head of Performance Materials Division

Torao Ishii

Executive Officer
Responsible for Building Materials Division

Takao Miyake

Executive Officer
Head of Technology & CS Promotion Department

High Performance Plastics Company

Takayoshi Matsunaga

Senior Managing Executive Officer
President of High Performance Plastics Company

Yuji Enatsu

Managing Executive Officer
Responsible for Sales
Head of International Business Department

Toshio Uesaka

Managing Executive Officer
Head of Industrial Tape Division

Mutsumi Fukuda

Executive Officer
Head of Medical Products Division
President of Sekisui Medical Co., Ltd.

Akira Nakasuga

Executive Officer
Responsible for Research & Development

Takeshi Inoue

Executive Officer
Head of New Business Promotion Division

Hajime Kubo

Executive Officer
Head of Administrative Management & Control Department
Head of General Affairs & Human Resources Department

Keita Kato

Executive Officer
Head of Interlayer Film Division

Headquarters

Tetsuji Izu

Senior Managing Executive Officer
CCO [Chief Compliance Officer]
Responsible for Corporate Communication Department
Head of CSR Department

Ken Yoshida

Senior Managing Executive Officer
CTO [Chief Technology Officer]
Responsible for External Relations Department
Head of Total Manufacturing Innovation Center

Hideo Tagashira

Managing Executive Officer
Responsible for Corporate Finance & Accounting
Department, Head of Business Planning Department

Kiyotaka Tsuji

Executive Officer
Head of Legal Department

Satoshi Uenoyama

Executive Officer
Head of R & D Center

RESEARCH & DEVELOPMENT / INTELLECTUAL PROPERTY

The Sekisui Chemical Group is fortifying its earning power and cultivating growth businesses by promoting the innovations achieved in the pursuit of prominence. Improving the value of our R&D and the intellectual property it produces is indispensable to maintaining our prominence and is of paramount importance to our management strategy.

R&D Strategy

The Sekisui Chemical R&D System

The Sekisui Chemical Group maintains four primary R&D centers at the Housing Company, Urban Infrastructure & Environmental Products Company, High Performance Plastics Company, and Corporate headquarters. In addition, Sekisui Medical Co., Ltd., and other key affiliated companies maintain independent R&D divisions and facilities. The Sekisui Chemical Group is engaged in a wide spectrum of R&D from basic research to product development, production engineering and management technologies with the objective of generating groundbreaking products to stimulate potential customer needs. The

Company has developed prominent proprietary technologies and introduced numerous leading-edge technologies, a recent example being our innovative sewage pipeline renewal (SPR) method, which are used in a multitude of products that are contributing to society. The Company also actively collaborates with industrial, governmental, and academic entities to conceive and develop advanced technologies.

The five-year management plan launched in fiscal year 2009 delineates three management priorities: 1) accelerating growth in the “Frontier 7”, 2) creating next-generation businesses, 3) “Manufacturing development SHINKA.” Accelerating growth in the “Frontier 7” will be achieved by continuing to implement strict selection and concentration of the R&D resources of each of the divisional companies to speed up R&D activities and generate new prominent technologies.

Next-generation business creation will leverage our operating infrastructures in emerging markets and chemical development capabilities to generate business opportunities concentrated in the environment & energy field, IT related field, and life science field. The Corporate R&D Center will serve as the Group’s R&D nucleus to further strengthen the coordination of activities among the divisional company research facilities, particularly in the environment & energy field and IT field, and harness the Groups full capabilities to create prominent next-generation businesses.

Manufacturing development power will be advanced by continuing to focus on promoting and strengthening product development, which is the fundamental activity of a manufacturer, not just through

Frontier 7 Business—Goal of R&D			Goal of Next Generation Business		Manufacturing Development SHINKA			
Housing Company	Living Environment Business	Automation of inspection system	Building Infrastructure of Emerging Countries	•Highly Industrialized Housing		Creation of Our Own Manufacturing-line No defect, Highly Automated Line: No defect, Double Productivity Advanced Ecological Processes: Half Energy Consumption, No Waste		
		Strengthen environment, comfort, and reassurance		•Water Recycling System				
UIEP Company	Pipeline Renewal Business	Advancement of Methods	Frontier Focused Chemicals	•Self-supported Utilities Technology		Productive Power SHINKA that exceeds the past level—Renewing		
	Water Infrastructure Business	High Functionality		•IT Related Business: Semiconductor Packaging and Adhesion Materials				
	Functional Materials Business	High Functionality		•Environment: Key Materials for desalination				
HPP Company	AT Related Business	Aim for Eco-friendly, Safety, and Comfortable Vehicle	Life Science Related Business	•Energy: Solar Cell and Secondary Battery Materials		Double Productivity—Ultimate Automation • From Integrated organization of sales and production to Innovative construction • Ultra-steady production line • Process Innovation	Ultimate cost reduction by material change • Expansion of Overseas Procurement of Parts and Materials • Product Design of Ultimate Cost Reduction	Restructuring of Production System • Drastic Rearrangement of Manufacturing Location and Production • Revision of Manpower Allocation
	IT Related Business	Shift from FDP Materials to Semiconductor and Energy Related Products		•New Medical Business Development		Deepening of Manufacturing Development SHINKA Promote of Self-sustaining Company •Expansion and Enhancement of Overseas Subsidiaries •Reduction of External Loss •Safety and Comfortable Workplace		
	Medical Related Business	Worldwide Expansion of No.1 Share Products		•Biotechnology-based Business —i.e. Drug Discovery Support Business—				

our production technology capabilities but also by applying and using the technologies at the production sites. The Manufacturing Development Innovation Center established at the Corporate R&D Center in 2006 is a key element in this initiative and is already producing substantial results.

The new five-year management plan continues to promote activities currently under way and outlines plans to establish a Global Manufacturing Innovation Group and a Purchasing Group at the Manufacturing Development Innovation Center to advance development of our production bases overseas. We are aiming to firmly establish a framework for activities throughout our production network based on respect for the customer (zero quality defects and claims), respect for the employee (zero accidents), and respect for the environment (zero waste, reduction by half of energy consumption, and double productivity).

This organizational approach will provide the platform for the Company to engage its prominent technologies and quality to continue to develop the frontier of “creating housing and social infrastructures” and “chemical solutions” for the betterment of the earth environment and the people of the world.

Company R&D Details and Cost

The Sekisui Chemical Group engages in a wide spectrum of R&D utilizing cutting-edge technology from basic research and applied technology to new business creation and development focused on achieving the individual objectives of each of the Housing, Urban Infrastructure & Environmental Products, and High Performance Plastics division Companies.

In fiscal year 2008, the Group invested ¥25,420 million in R&D. The details and cost of the R&D activities for each division are described below.

1. Housing Company

The Housing Company’s mission is to provide environment-friendly housing that can be lived in safely and comfortably for a minimum of 60 years. The Housing Company effects this policy in the new housing construction field by developing new products and fundamental technologies for steel-framed and wooden-framed unit houses, and in the refurbishing field by developing refurbishing technology and products to strengthen existing housing structures.

The Housing Company introduced a number of new, competitive products in fiscal year 2008. In the steel-framed unit housing category, the company introduced a double-layered “bj new” with attic space converted into an extra room, the “Letoit Duet” rental housing complex that blends effortlessly with townscapes, and the “My Earning Home”, a dual residential and rental unit designed to meet rebuilding demand in metropolitan

areas. “Crescasa”, which was launched in October 2007 from the select regions, featuring abundant open space and internal layout flexibility was upgraded interior & exterior designs, and expanded nationwide.

In wood-frame unit housing, the company introduced “new Grand to You WS” featuring greatly enhanced cost performance achieved by limiting units to medium-sized unit plans. At the same time, the Company further increased the interior comfort level of the “Grand to You” series by improving unit air tightness and introducing humidification systems to balance the dry air level in the winter.

In the refurbishing field, the Housing Company expanded its menu of products designed to provide continuing and long-term comfort throughout the homeowner’s use of its housing products. New products included a wider selection of “Ecochanté” exterior wall tile designs, heating systems and other commercial equipment, and smaller-scale expansion construction options for the “Two-U Home” series.

The Housing Company utilized ¥4,335 million for R&D expenses in fiscal year 2008.

2. Urban Infrastructure & Environmental Products Company

The Urban Infrastructure & Environmental Products (UIEP) Company develops new piping and housing material products through close collaboration of the UIEP’s Kyoto Research & Development Laboratory and each of its business segments. The Kyoto Laboratory and new business project groups also conduct R&D and commercialization viability research for new business creation.

In the water supply systems business in fiscal year 2008, the UIEP Company expanded the applications for its groundbreaking fire-resistant all-resin PVC pipes and joints, which debuted in the previous year, to non-residential structures, such as hotels and hospitals. The company also received approval to develop the pipes and joints for use in cavity wall construction and interconnected with cast iron joints in condominium complex drainage systems. The UIEP Company is vigorously advancing development to realize the full potential of these pioneering pipes and joints.

In the plant materials business, the company introduced PVC and chlorinated polyvinyl chloride (CPVC) Sch 80 pipes and joints meeting the standards of the American Society For Testing and Materials (ASTM) in the United States and PVC as well as HT (CPVC) factory use pipes, which is made of chemical-resistant material, meeting Japanese Industrial Standards (JIS) with the aim of expanding its presence in the pipe materials market for factory production equipment. The company is also expanding its lineup of valves that meet overseas specification standards to further expand its product offerings.

In the housing materials business, the company continued to establish the phenol foam high-performance insulation material “Phenova Board”, launched in fiscal year 2007, as a key thermal insulation

material for the housing and non-housing construction markets. The company increased the variety of “Phenova Board” products to 20 sizes in fiscal year 2008.

The company also completely revamped its lineup of low expansion and contraction all-resin rain gutters and now offers seven next-generation rain gutters for large non-housing structures.

The UIEP Company utilized ¥5,715 million for R&D expenses in fiscal year 2008.

3. High Performance Plastics Company

The High Performance Plastics (HPP) Company promotes the concerted development of new products, materials and production technologies in the areas of high-performance materials, molding/processing products, and medical-related products through the collaborated activities of its business segments and the HPP Company’s Research & Development Institute. The Research & Development Institute primarily concentrates on R&D in new business areas and supported the steadily growing business of two core projects of the New Business Promotion Division in the electronics materials and functional materials fields as part.

The company made significant progress in the development of adhesive sheet for semiconductor chip applications in fiscal year 2008 and released its first semiconductor packaging product, providing a further boost to the steadily expanding sales in the electronic materials segment. Substantial progress was also made in the development of conductive particles and other adhesive materials.

In energy-related materials, which the company views as a future growth field, business is expanding rapidly for photovoltaic sealant film, and the company continues development of new products to meet user needs.

In the automotive materials field, the company applied its unique multilayer extrusion and nano-dispersion technologies to develop and market a wedge-shaped high-performance interlayer film with noise and thermal insulation attributes for transparent head-up display (HUD). Developmental advances were also made in foam molding products, which promise to help automakers reduce vehicle weights.

In medical related operations, the HPP Company expanded its lineup of diagnostic products with the release of three new diagnostic agents for oxidized low-density lipoprotein (LDL), which is considered an important indicator of diabetes. Other new medical products released during the year included a rapid measurement diagnostic agent using immuno-chromatography to detect the B-type natriuretic peptide (BNP), an early indicator of potential heart failure, and a diagnostic drug for UGT1A1 gene polymorphism, associated with side effects from cancer treatments, for use in individualized (tailor-made) treatments.

The HPP Company utilized ¥11,231 million for R&D expenses in fiscal year 2008.

4. Other Businesses

The core R&D facility for the Other Business segment conducts R&D and development for new business directions. The P2 Business Promotion Department is developing product applications utilizing the properties of atmospheric pressure plasma, which is rapidly becoming a standard technology in various manufacturing processes for large flat panel display substrates. The department is also advancing business development for specialized chemical-based surface treatment processes.

The Development Center is focusing on development of unique materials to continue the company’s development of cutting-edge IT materials and develop products for environment and energy-related fields, which are expected to continue rapidly expanding. The department currently has several new materials distributed to clients for trial assessment.

Other Businesses utilized ¥4,137 million for R&D expenses in fiscal year 2007.

R&D Human Resource Cultivation and Benefits

The Group presents Great Invention Awards to acknowledge researchers and engineers that have created highly unique and innovative inventions with potential to become profitable technologies and products. The award and the accompanying monetary endowment is one way the Group shows its recognition and appreciation of its talented researchers and engineers. In fiscal year 2008, the invention of an innovative composition and production process for a sealing compound rinse for display devices was found to be worthy of awarding it the level of first class in terms of its findings. The other three inventions were found to be worthy of the level of third class in terms of their contributions. Consequently, the engineer was presented with awards and benefits for the unique inventions.

The Group has also established a Specialist Position system to recognize and reward researchers and engineers with highly specialized skills. The system selects exceptional individuals who have been recognized as possessing highly advanced skills and appoints them to uniquely defined specialist positions. The system promotes ongoing development and aims to cultivate outstanding researchers and engineers recognized both inside and outside the company. As of July 2009, 34 people hold specialist positions.

In fiscal year 2009, the Group introduced the “Monozukuri” Master Position to recognize individuals that exemplify the range of manufacturing skills and technical objectives of the Sekisui Chemical Group. The position is intended to promote the Group tradition of high skill and craftsmanship and provide motivation for each and every technician. Cultivating and encouraging the Group’s talented manufacturing technicians by acknowledging their highly refined skills inspires motivation and will further elevate the Group’s high level of manufacturing expertise.

Intellectual Property Strategy

Intellectual Property Strategy Objectives and Fundamental Policy

The intellectual property cultivated from our R&D activities is an important management resource that underpins the Group's growth and revenues and contributes to optimizing corporate value. Intellectual property strategy is vital to the group because it maximizes our technological prominence. In the Principles on Intellectual Property formulated in March 2005, the Group clearly stated that the objective of our intellectual property management is to contribute to our growth and to increase our corporate value through encouraging the creation, protection, and utilization of intellectual property, which should be achieved by respecting our own intellectual property and that of others, and by clearly laying out our approach towards intellectual property management. This management mandate is further reinforced by our fundamental policy of ensuring business competitiveness by acquiring highly beneficial patents.

We have implemented a new company-wide Intellectual Property Management Midterm Plan adopted in March 2009. The plan is based on three fundamental guiding principles: 1) acquiring highly beneficial patents as a fundamental source of business competitiveness, 2) limiting costs associated with overseas applications, increasing the number of new patent applications overseas, and developing global intellectual property policies, including for the prevention of technology leakage, covering each country in which we operate, and 3) supporting the creation of next-generation businesses by conducting patent information studies from the initial stages of planning and development. We are actively working to fulfill these objectives in 2009, the first fiscal year of the plan.

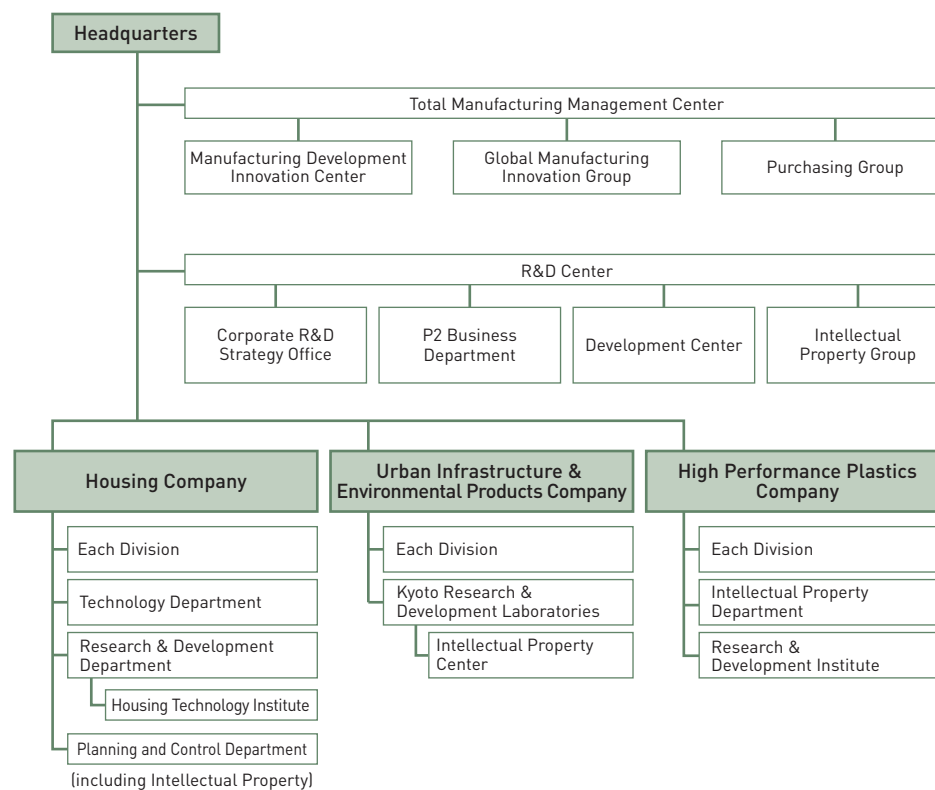
Framework Promoting the Intellectual Property Strategy and Major Activities

The Group advances a uniform intellectual property strategy through intellectual property divisions at the headquarters and each division Company covering all levels of operation from planning of basic strategy to the acquisition, management, and utilization of patents.

Each divisional company's intellectual property and R&D divisions hold periodic Intellectual Property Strategy Review Committee meetings to review the orientation of its individual intellectual property strategies. In addition, the Intellectual Property Group at the headquarters supports each divisional company from the perspective of the company-wide business strategy to optimize the intellectual property portfolio.

The Group also proactively cooperates and seeks the advice of patent agents, lawyers and other external experts regarding the acquisition, management, and utilization of intellectual property to ensure each step is conducted in an appropriate manner. The Group is actively working with specialists in both Japan and overseas with the aim of further expanding our global business.

R&D and Intellectual Property Management System



MAJOR CONSOLIDATED SUBSIDIARIES AND AFFILIATES (As of March 31, 2009)

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Housing				
Hokkaido Sekisui Heim Co., Ltd.	Japan	JPY200 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Tohoku Co., Ltd.	Japan	JPY300 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Shinetsu Co., Ltd.	Japan	JPY300 million	100.0%	Construction of unit housing and real estate sales
Gunma Sekisui Heim Co., Ltd.	Japan	JPY200 million	100.0%	Unit housing contract, remodeling and expansion construction, and real estate sales and brokerage
Tokyo Sekisui Heim Co., Ltd.	Japan	JPY400 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Chubu Co., Ltd.	Japan	JPY300 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Kinki Co., Ltd.	Japan	JPY400 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Chushikoku Co., Ltd.	Japan	JPY300 million	100.0%	Construction of unit housing and real estate sales
Sekisui Heim Kyushu Co., Ltd.	Japan	JPY300 million	100.0%	Construction of unit housing and real estate sales
Hokkaido Sekisui Fami S Co., Ltd.	Japan	JPY20 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Tohoku Co., Ltd.	Japan	JPY100 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Shinetsu Co., Ltd.	Japan	JPY20 million	100.0%	Expansion and refurbishment of unit housing
Tokyo Sekisui Fami S Co., Ltd.	Japan	JPY50 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Chubu Co., Ltd.	Japan	JPY50 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Kinki Co., Ltd.	Japan	JPY50 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Chushikoku Co., Ltd.	Japan	JPY50 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Fami S Kyushu Co., Ltd.	Japan	JPY50 million	100.0%	Expansion and refurbishment of unit housing
Sekisui Interior Co., Ltd.	Japan	JPY50 million	100.0%	Sale of interior design plans
Sekisui Exterior Co., Ltd.	Japan	JPY50 million	100.0%	Construction of building exteriors
Tohoku Sekisui Heim Real Estate Co., Ltd.	Japan	JPY10 million	100.0%	Real estate brokerage and apartment leasing & management
Sekisui Heim Real Estate Co., Ltd.	Japan	JPY200 million	100.0%	Real estate brokerage and apartment leasing & management
Nagoya Sekisui Heim Real Estate Co., Ltd.	Japan	JPY20 million	100.0%	Real estate brokerage and apartment leasing & management

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Osaka Sekisui Heim Real Estate Co., Ltd.	Japan	JPY100 million	100.0%	Real estate brokerage and apartment leasing & management
Chushikoku Sekisui Heim Real Estate Co., Ltd.	Japan	JPY10 million	100.0%	Real estate brokerage and apartment leasing & management
Kyushu Sekisui Heim Real Estate Co., Ltd.	Japan	JPY10 million	100.0%	Real estate brokerage and apartment leasing & management
Sekisui Unidea Co., Ltd.	Japan	JPY50 million	100.0%	Rental tenant guarantor and trustee services
Kitanihon Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Higashinihon Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Kanto Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Tokyo Sekisui Industry Co., Ltd.	Japan	JPY300 million	100.0%	Production and sale of materials for unit housing
Chubu Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Kansai Sekisui Industry Co., Ltd.	Japan	JPY300 million	100.0%	Production and sale of materials for unit housing
Chugoku Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Nishinihon Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Sekisui Board Co., Ltd.	Japan	JPY100 million	100.0%	Production and sale of materials for unit housing
Sekisui Global Trading Co., Ltd.	Japan	JPY100 million	100.0%	Import of lumber for housing
Sekisui Heim Supply Co., Ltd.	Japan	JPY50 million	100.0%	Trading of construction materials and equipment & devices for housing

Urban Infrastructure & Environmental Products

Sekisui Aqua Systems Co., Ltd.	Japan	JPY200 million	79.9%	Production, processing and sale of water supply and drainage systems for industrial plant construction and water tanks
Sekisui Aqua Tec Co., Ltd.	Japan	JPY50 million	79.9%	Assembly and sale of panel-tanks and water tank maintenance
Vantec Co., Ltd.	Japan	JPY600 million	100.0%	Production and sale of piping and injection molded products
Teibutsu Co., Ltd.	Japan	JPY20 million	100.0%	Sale of molded resin products
Sekisui Home Techno Co., Ltd.	Japan	JPY360 million	100.0%	Sale and installation of equipment and devices for housing
Sekisui Chemical Hokkaido Co., Ltd.	Japan	JPY200 million	100.0%	Production, processing and sale of molded resin products and construction materials
Toto Sekisui Co., Ltd.	Japan	JPY50 million	100.0%	Production, processing and sale of molded resin products

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Hokkaido Sekisui Shoji Co., Ltd.	Japan	JPY32.5 million	100.0%	Sale of molded resin products
Tohoku Sekisui Shoji Co., Ltd.	Japan	JPY30 million	100.0%	Sale of molded resin products
Tokyo Sekisui Shoji Co., Ltd.	Japan	JPY150 million	100.0%	Sale of molded resin products
Chubu Sekisui Shoji Co., Ltd.	Japan	JPY30 million	100.0%	Sale of molded resin products
Kinki Sekisui Shoji Co., Ltd.	Japan	JPY70 million	100.0%	Sale of molded resin products
Chu-Shikoku Sekisui Shoji Co., Ltd.	Japan	JPY30 million	100.0%	Sale of molded resin products
Sanin Sekisui Shoji Co., Ltd.	Japan	JPY30 million	100.0%	Sale of molded resin products
Watanabe Sansho Co., Ltd.	Japan	JPY45.1 million	83.7%	Sale and processing of molded resin tubes, corrosion-resistant devices and plant materials
M&S Pipe Systems Co., Ltd.	Japan	JPY20 million	51.0%	Consulting on production and distribution of pipes and joints
Kyushu Sekisui Kenzai Co., Ltd.	Japan	JPY40 million	100.0%	Sale of rain gutters
Okayama Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production, processing and sales of fireproof construction materials and equipment & devices for housing
Shikoku Sekisui Industry Co., Ltd.	Japan	JPY100 million	100.0%	Production, processing and sale of molded resin products
Kyushu Sekisui Industry Co., Ltd.	Japan	JPY130 million	100.0%	Production, processing and sale of molded resin products and construction materials
Sekisui Roof System Co., Ltd.	Japan	JPY100 million	100.0%	Development, production and sale of roofing materials
Sekisui Roof Tech Co., Ltd.	Japan	JPY10 million	100.0%	After-sale maintenance of roofing materials
Nippon No-Dig Technology Co., Ltd.	Japan	JPY60 million	100.0%	Construction and equipment rental for civil engineering projects
Ritto Sekisui Industry Co., Ltd.	Japan	JPY10 million	100.0%	Production and sale of molded resin pipes and joints
Ryuseki Jubi Co., Ltd.	Japan	JPY40 million	100.0%	Production and processing of molded resin products
KYDEX, LLC.	U.S.	USD54.9 thousand	100.0%	Production and sale of PVC sheet for thermoforming
Allen Extruders, LLC.	U.S.	USD27,000 thousand	100.0%	Production and sale of ABS sheet for thermoforming
Sekisui SPR Americas, LLC.	U.S.	USD1,000 thousand	100.0%	Production, sale and installation of materials for pipeline renewal (SPR method) /Pipeline survey & diagnosis
Heitkamp, Inc.	U.S.	USD10 thousand	100.0%	Production of water supply and sewerage facilities/Pipeline renewal business

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Eslon B.V.	Netherlands	EUR1,000.3 thousand	100.0%	Production and sale of PVC rain gutters and other building materials
Sekisui CPT G.m.b.H.	Germany	EUR11,500 thousand	75.0%	Pipeline renewal business (Pipeline renewal process development, production, distribution of piping materials, renewal construction)
Sekisui Refresh Co., Ltd.	Korea	KRW3,000 million	51.0%	Production and sale of lining profiles for pipeline renewal
Sekisui Nuvotec Co., Ltd.	Korea	KRW3,600 million	67.0%	Production and sale of Eslon NV pipe and fittings for water supply /Import and sale of Sekisui products
Yongchang Sekisui Composites Co., Ltd.	China	RMB150,000 thousand	62.4%	Production and sale of reinforced plastic pipe (FRPM pipe) and synthetic wood (FFU)
Sekisui (Qingdao) Plastic Co., Ltd.	China	RMB70,904.2 thousand	100.0%	Production and sale of high-performance plastic pipe for water supply
Wuxi SSS-Diamond Plastics Co., Ltd.	China	RMB33,106.8 thousand	51.0%	Production of polyethylene electrofusion fittings (EF fittings)
Sekisui Industrial Piping Co., Ltd.	Taiwan	TWD456,000 thousand	100.0%	Production and sale of plastic valves, and pipe and fittings for industrial use

High Performance Plastics

Sekisui Techno Molding Co., Ltd.	Japan	JPY200 million	100.0%	Production, processing and sale of compound resin molded products
Sekisui Film Co., Ltd.	Japan	JPY350 million	100.0%	Production, processing and sale of polyethylene tubes and films
Senseki Kako Co., Ltd.	Japan	JPY20 million	100.0%	Production and processing of polyethylene films
Hiroseki Kako Co., Ltd.	Japan	JPY30 million	100.0%	Production and processing of polyethylene films
Sekisui Film Kyushu Co., Ltd.	Japan	JPY50 million	100.0%	Production, processing and sale of polyethylene tubes and films
Kaseki Kako Co., Ltd.	Japan	JPY10 million	100.0%	Production and processing of polyethylene films
Sekisui Fuller Co., Ltd.	Japan	JPY400 million	50.0%	Production and sale of adhesive materials
Sekisui Medical Co., Ltd.	Japan	JPY1,275.2 million	100.0%	Production and sale of diagnostics and research use testing drugs
Sekisui Polymatech Co., Ltd.	Japan	JPY50 million	100.0%	Processing and sale of plastic films and foam plastic products
Sekisui Techno Shoji Higashi Nihon Co., Ltd.	Japan	JPY50 million	100.0%	Sale of compound resin products
Sekisui Techno Shoji Nishi Nihon Co., Ltd.	Japan	JPY50 million	100.0%	Sale of compound resin products
Naseki Seimitsukako Co., Ltd.	Japan	JPY10 million	100.0%	Production and processing of compound resin molded products
Sekisui Amagasaki Kako Co., Ltd.	Japan	JPY20 million	100.0%	Production and processing of compound resin products

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Sekisui Musashi Kako Co., Ltd.	Japan	JPY25 million	100.0%	Production and processing of polyolefin film products and adhesive tapes
Sekisui Minakuchi Kako Co., Ltd.	Japan	JPY10 million	100.0%	Production and processing of interlayer films and resins
Sekisui Voltek, LLC.	U.S.	USD41,788.4 thousand	100.0%	Production and sale of polyolefin foam products
Sekisui Voltek California Inc.	U.S.	USD600 thousand	100.0%	Sale of polyolefin foam products
Sekisui TA Industries, LLC.	U.S.	USD7,000 thousand	100.0%	Production and sale of adhesive tapes
Sekisui S-Lec America, LLC.	U.S.	USD1,765.4 thousand	100.0%	Production and sale of polyvinyl butyral interlayer films
XenoTech, LLC.	U.S.	USD5,442.1 thousand	100.0%	In vitro reagent business
Sekisui Products, LLC.	U.S.	USD2,036.9 thousand	100.0%	Import and export of plastic products
Sekisui S-Lec Mexico S.A. de C.V.	Mexico	MXN32,836.1 thousand	70.9%	Production and sale of polyvinyl butyral interlayer films
Sekisui S-Lec B.V.	Netherlands	EUR11,344.5 thousand	100.0%	Production and sale of resin for, and products of, polyvinyl butyral interlayer films
Sekisui-Alveo B.V.	Netherlands	EUR1,361 thousand	100.0%	Production of polyolefin foam products
Sekisui Alveo Ltd.	U.K.	GBP7,100 thousand	100.0%	Production of polyolefin foam products
Sekisui Alveo AG	Switzerland	CHF21,000 thousand	100.0%	Sale of polyolefin foam products
Sekisui Alveo S.p.A.	Italy	EUR103 thousand	100.0%	Sale of polyolefin foam products
Sekisui Alveo S.a.r.L.	France	EUR8 thousand	100.0%	Sale of polyolefin foam products
Sekisui-Alveo S.A.	Spain	EUR60 thousand	100.0%	Sale of polyolefin foam products
Sekisui Alveo (Benelux) B.V.	Netherlands	EUR18 thousand	100.0%	Sale of polyolefin foam products
Sekisui Alveo G.m.b.H.	Germany	EUR26 thousand	100.0%	Sale of polyolefin foam products
Sekisui Chemical G.m.b.H.	Germany	EUR664.6 thousand	100.0%	Import and export of plastic products
Sekisui S-Lec (Thailand) Co., Ltd.	Thailand	THB430,000 thousand	100.0%	Production and sale of polyvinyl butyral interlayer films
Thai Sekisui Foam Co., Ltd.	Thailand	THB450,000 thousand	91.1%	Production and sale of polyolefin foam products
Sekisui Pilon Pty. Ltd.	Australia	AUD1,257.2 thousand	100.0%	Production and sale of polyolefin foam products
Sekisui Korea Co., Ltd.	Korea	KRW250 million	100.0%	Sale of plastic products; technology services
YoungBo Chemical Co., Ltd.	Korea	KRW10,000 million	52.3%	Production and sale of polyolefin foam products

CONSOLIDATED SUBSIDIARIES

		Capital	Ratio of Voting Rights	Activities
Muhan Co., Ltd.	Korea	KRW 300million	33.9%	Processing and sale of polyolefin foam products
YoungBo HPP (Langfang) Co., Ltd.	China	KRW51,857 thousand	52.3%	Production and sale of polyolefin foam products
Shanghai Sekisui-Holy Plastics Co., Ltd.	China	RMB41,397.9 thousand	51.0%	Production and sale of polyolefin foam
Sekisui S-Lec (Suzhou) Co., Ltd.	China	RMB195,979.3 thousand	100.0%	Production and sale of polyvinyl butyral interlayer films
Beijing Sekisui Trank Medical Technology Co., Ltd.	China	RMB96,671 thousand	85.0%	Production and sale of medical equipment
Sekisui High Performance Packaging (Langfang) Co., Ltd.	China	RMB15,726.4 thousand	100.0%	Production of adhesive tapes
Sekisui (Shanghai) International Trading Co., Ltd.	China	RMB1,655.4 thousand	100.0%	Import and export of plastic products
Sekisui (Hong Kong) Ltd.	Hong Kong	HKD300 thousand	100.0%	Import and export of plastic products
Sekisui Chemical (Taiwan) Co., Ltd.	Taiwan	TWD5,000 thousand	100.0%	Import and export of plastic products
Sekisui Chemical Singapore (Pte.) Ltd.	Singapore	SGD800 thousand	100.0%	Import and export of plastic products

Others

Sekisui Seikei Industry Co., Ltd.	Japan	JPY450 million	100.0%	Production, processing and sale of molded resin products
Sekisui Engineering Co., Ltd.	Japan	JPY80 million	100.0%	Factory automation system construction
Hinomaru Co., Ltd.	Japan	JPY672.5 million	88.7%	Sales of fertilizers, agricultural materials and molded resin products
Tokuyama Sekisui Industry Co., Ltd.	Japan	JPY1,000 million	70.0%	Production and sale of pvc resins and medical equipment
Sekisui Kosan Co., Ltd.	Japan	JPY50 million	100.0%	Management of company housing
Sekisui Accounting Center Co., Ltd.	Japan	JPY20 million	100.0%	Accounting and finance services; financing services for affiliated companies
Sekisui Insurance Service Co., Ltd.	Japan	JPY30 million	100.0%	Agent for life and non-life insurance
Sekisui America Corporation	U.S.	USD8,421.1 thousand	100.0%	Holding company
Sekisui Europe B.V.	Netherlands	EUR1,000.3 thousand	100.0%	Capital raising; holding company

AFFILIATES

		Capital	Ratio of Voting Rights	Activities
Sekisui Plastics Co., Ltd.	Japan	JPY16,533 million	24.9%	
Sekisui Jushi Corp.	Japan	JPY12,334 million	24.9%	
Ibaraki Sekisui Heim Co., Ltd.	Japan	JPY105 million	40.0%	
Tochigi Sekisui Heim Co., Ltd.	Japan	JPY80 million	40.0%	
Sekisui Heim Tokai Co., Ltd.	Japan	JPY198 million	36.3%	
Sekisui Heim Sanyo Co., Ltd.	Japan	JPY100 million	43.3%	
Sekisui Heim Higashishikoku Co., Ltd.	Japan	JPY100 million	25.0%	
Kagawa Sekisui Heim Co., Ltd.	Japan	JPY100 million	37.5%	

STOCK INFORMATION

Sekisui Chemical Co., Ltd.

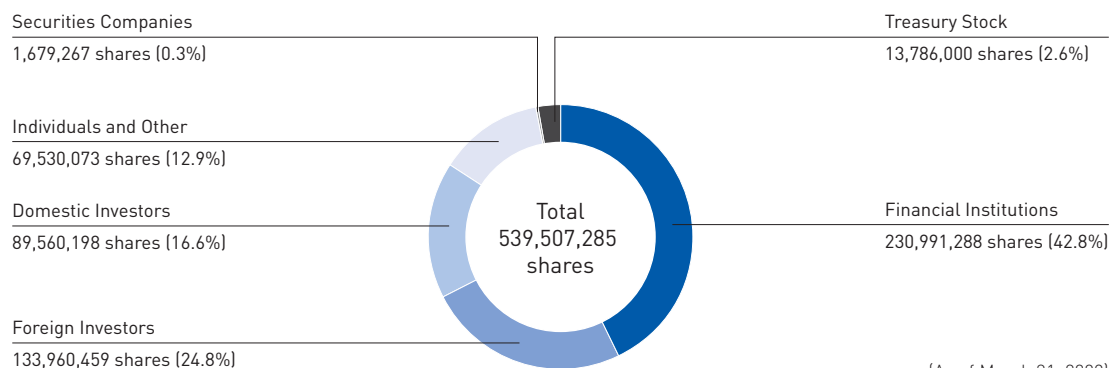
Head Office:	4-4, Nishitenma 2-chome, Kita-ku, Osaka
Tokyo Head Office:	3-17, Toranomom 2-chome, Minato-ku, Tokyo
Founded:	March 3, 1947
Paid-in Capital:	¥100,002,375,657
Authorized:	1,187,540,000 shares
Issued:	539,507,285 shares
Listings:	Common stock listed on the Tokyo Stock Exchange and the Osaka Securities Exchange
Number of Shareholders:	25,941
Manager of the Register of shareholders:	Mitsubishi UFJ Trust and Banking Corporation
Transfer Agency:	Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Division 1-5, Doujimahama 1-Chome, Kita-ku, Osaka 530-0004

Major Shareholders:

Name of shareholder	State of investments		The Company's investments in these companies	
	Number of Shares Held (Thousands)	Percentage of Ownership (%)	Number of Shares Held (Thousands)	Percentage of Ownership (%)
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	34,547	6.40	—	—
Asahi Kasei Corporation	31,039	5.75	1,716	0.12
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,394	5.63	—	—
Japan Trustee Services Bank, Ltd. (Trust Account)	28,672	5.31	—	—
The Dai-ichi Mutual Life Insurance Company	26,181	4.85	—	—
Sekisui House, Ltd.	25,592	4.74	72,168	10.66
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	16,581	3.07	—	—
Tokio Marine & Nichido Fire Insurance Co., Ltd.	15,927	2.95	—	—
The Chase Manhattan Bank, NA London (SL omnibus account)	9,008	1.66	—	—
Employees Stock Ownership Plan	8,600	1.59	—	—

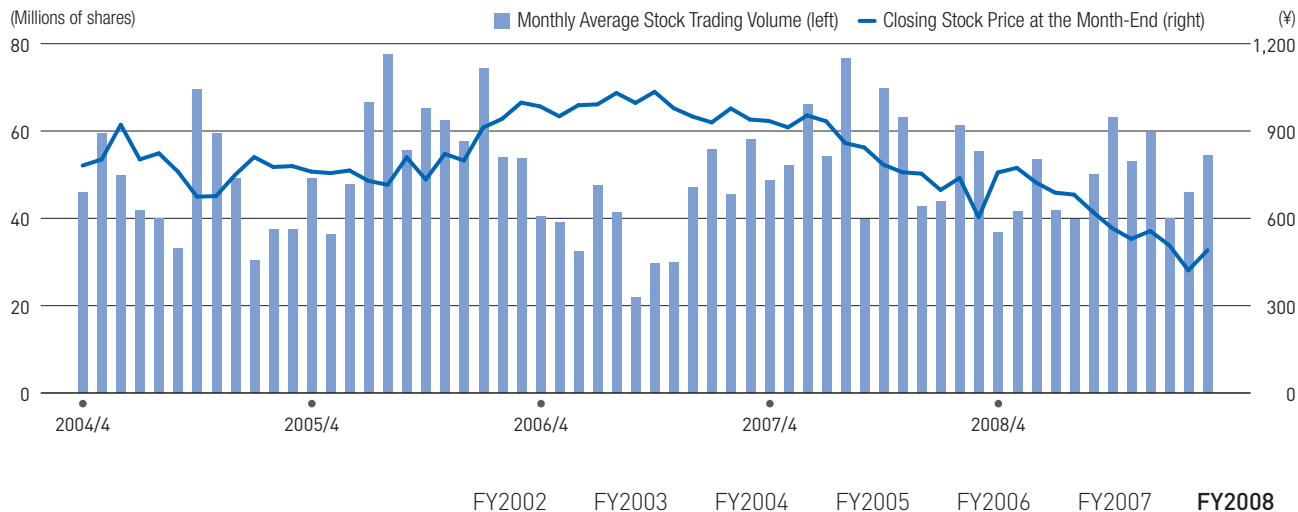
Note: Sekisui Chemical Co., Ltd. Holds 13,786 thousand shares of treasury stock.

Breakdown of Shareholders:



(As of March 31, 2009)

SEKISUI CHEMICAL STOCK PRICE AND TRADING VOLUME



Additional information

(Sekisui Chemical Co., Ltd.):

Price range of common stock (yen)

High	¥ 444	¥ 724	¥ 930	¥1,017	¥1,094	¥1,006	¥ 821
Low	268	268	621	653	855	570	372
Market value (billions of yen)	151.1	383.6	420.3	537.9	506.6	325.3	264.4