



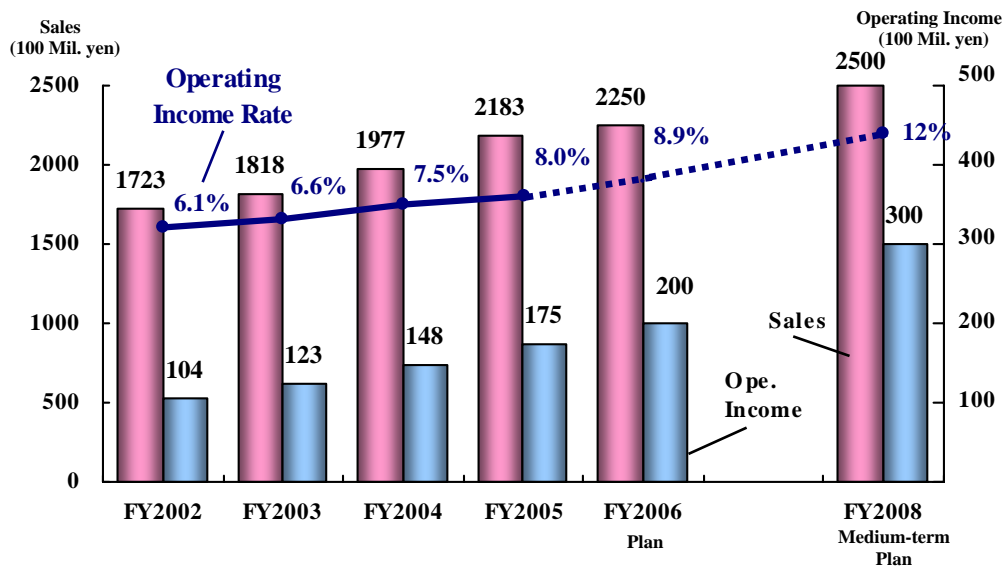
Presentation Meeting On Our Medical-Related Business

Takayoshi Matsunaga
Executive Managing Director
President of High Performance Plastics Company

Sekisui Chemical Co., Ltd.
3 October, 2006



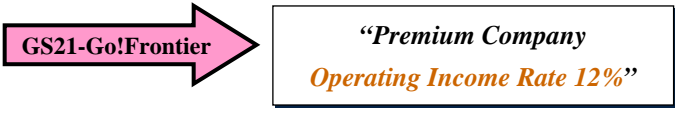
Transition of Sales & Operating Income



President's Policy

"Chemistry for your Win"

Continuous Offering of Chemical Solution to Targeted Customers

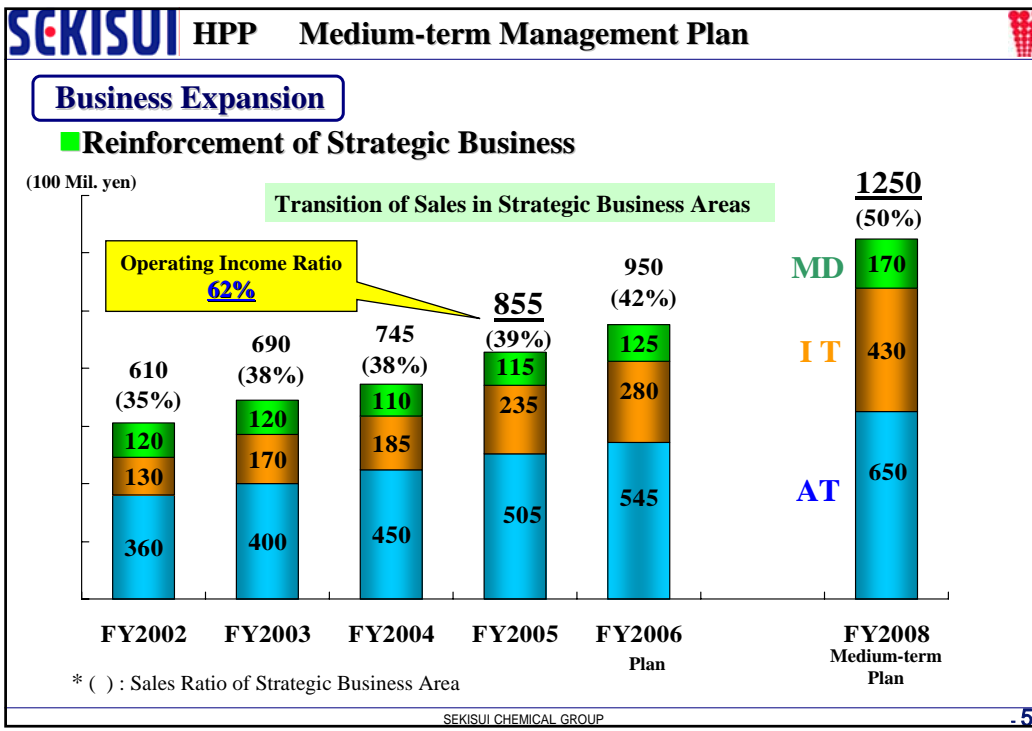
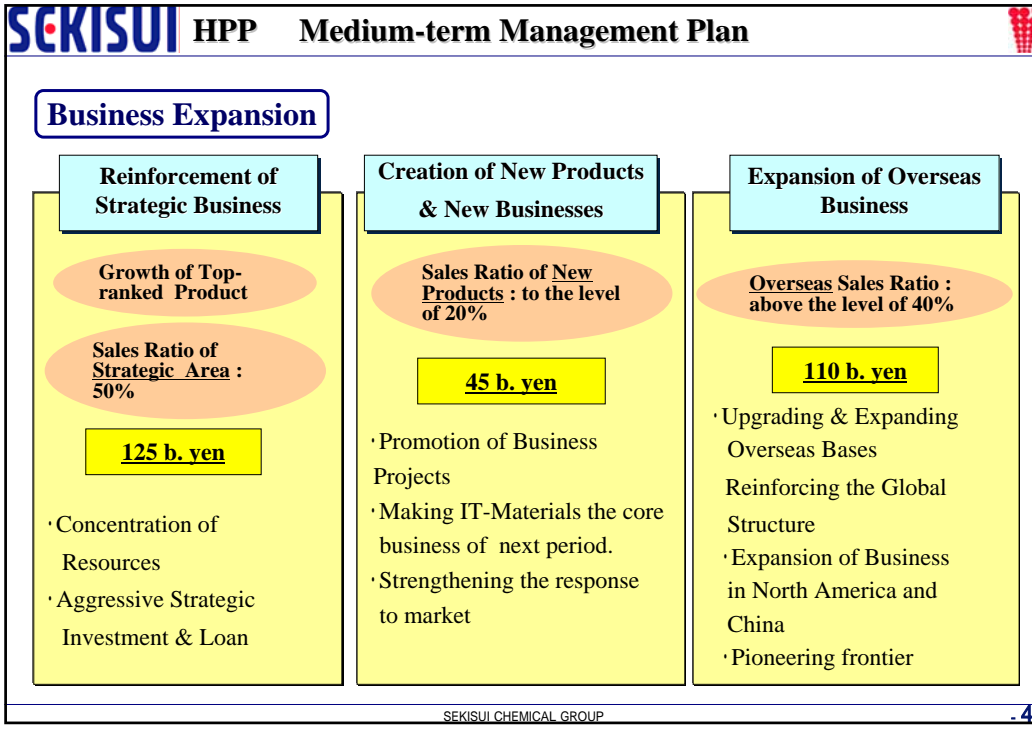


- Business Expansion**
 - ◆ Reinforcement of Strategic Business
 - ◆ Creation of New Products & New Businesses
 - ◆ Expansion of Overseas Business
- Structural Reform**
 - ◆ Disposition of Unprofitable Business
 - ◆ Change of Business Structure

Business & Expansion

	Applicable Business	FY2005	
		Sales	Operating Income Rate
Strategic Business	Automotive-Related Business (AT)	85.5 billion yen	62%
	IT-Related Business (IT)		
	Medical-Related Business (MD)		
	New Projects		

Note: New Projects are not included in the Sales and Operating Income Rate for FY2005.



SEKISUI HPP Medium-term Management Plan

Business Expansion

Reinforcement of Strategic Business

Growth of Top-ranked Products

Sales Ratio 50%
(39% in FY2005)

Concentration of Resources
(Development Expenses 80%)

Strategic Investment & Loan
(~40 billion yen)

	Products Group	Sales Target (100 Mil. Yen)		Number of Top-ranked Product Group	
				Top-ranked in the world	
		FY2005	FY2008	FY2005	FY2008
AT	High Functional Film, Special Foam, Molded Products	505	650	3	4
IT	Fine Particles, Photosensitive Materials, Optical Film & Tape, Semiconductor Materials	235	430	3	4
MD	Blood Related (Diagnostics, High Functional Blood Collection Tubes)	115	170	0	0
Total		855	1250	6	8

SEKISUI CHEMICAL GROUP

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SEKISUI HPP Medium-term Management Plan

Business Expansion

Reinforcement of Strategic Business

Our Core Technology and Main Products

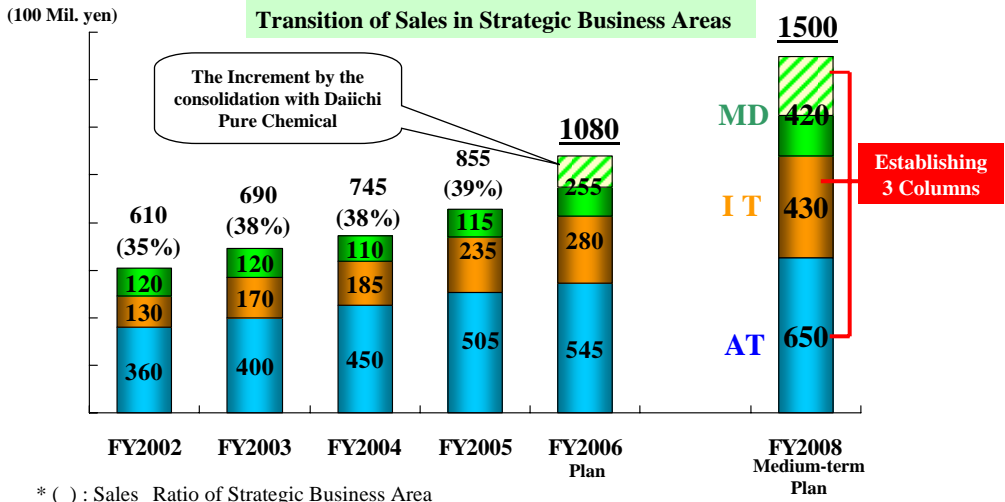
	AT	IT	MD
Fine Particles Technology	Hollow Fine Particle for Ceramic Filter Foamed Particle for Molding	Spacer for Liquid Crystal Display Electro-conductive Fine Particles Joining Particles for Mounting	Latex Particle for Diagnostics Diagnostics Test Column for Diabetes
Adhesives Technology	Interlayer Film for Automotives Low VOC Tape	Protective Sheet with Adhesive Double-sided Adhesive Tapes for LCD & Semi- conductor	Transdermal Drug Delivery Systems
Precision Molding Technology	Interior or Exterior trim for Automotive Cross-linked Polyolefin Foams	Retardation Film	Plastic Vacuum Blood Collection Tube Polyolefin Material for medical application

SEKISUI CHEMICAL GROUP

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Business Expansion

Expansion of Medical-Related Business





Vision for the Expansion of the Medical-Related Business

Mutsumi Fukuda
 Director
 Medical-Related Business Units,
 High Performance Plastics Company,
 General Manager of Medical Products Division

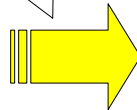


Product Development & Basic Strategy

Core Technology in our possession

- ◆ High Polymer Chemistry
- ◆ Design of Polymerization and Composition
- ◆ Design of Products and Design of Molds
- ◆ Various Molding Processes
 - Extrusion Molding
 - Injection Molding
 - Expansion Molding
 - Blow Molding
 - Vacuum Molding
 - Fine Particle Molding
- ◆ Secondary Fabrication
 - Adhesion Coating
 - Surface Treatment
 - Surface Improvement and Decoration
- ◆ Various Analysis and Evaluation
- ◆ Sterilization
- ◆ GMP, ISO9001, 14000, 13485

Applying the **Polymer Molecule- Control Technology over Biological Reaction** onto Medical Treatment



Vacuum Blood Collection Tube



Reagent for Syphilis Test



Test Column for Diabetes



Latex for Diagnostic Reagents



Transdermal Drug Delivery System for Angina



Special Catheter

*Others: Packaging Bag, Film, Sheet, Container, Tray, Cushioning Material, Various Tapes, etc.



Business Strategy & The Vision for Expansion

Business Expansion by offering our prominent products and technology to the medical market of the world

Overseas Expansion	Going overseas with the high-shared products in Japan. Bringing up Beijing Sekisui Trank Medical Technology Co. Ltd.
New Products & New Fields	Reinforcing Development aiming for the new-product ratio of 20% Going into the business of “Assisting with Drug Discovery” by offering analysis and materials.
M&A	Earliest procurement of technology and human resources Pursuing The Synergy with Daichi Pure Chemical



Market Share of Our Main Products

Note: Our Presumption

Latex Particle



No.1 in Japan, No.2 in the world

Reagent for Syphilis Test



No.1 in Japan, No.3 in the world

Test Column for Diabetes



No.1 in Japan, No. 1 in Europe

Vacuum Blood Collection Tube



No.2 in Japan, No.4 in the world

Serum Separating Gel & Blood Clotting Accelerant



No.2 in Japan, No.2 in the world

Expanding the Export of these products enjoying high market-shares in Japan

SEKISUI Strategy in Our Medical-Related Business

Examples of New Products

Non-centrifugal blood collection tube




Control Technology of Blood Component

New Serum Separating Gel



Control Technology of Blood Component

PCB Simplified Measuring System



Magnetic Particle Technology

Transdermal Drug Delivery System for Asthma



Medical Adhesive Technology

Continuous creation of new products with proprietary technology & new technology


SEKISUI CHEMICAL GROUP - 14

SEKISUI Business Integration with Daiichi Pure Chemical Co.

The Outline of Our Medical-Related Business

(): Sales Ratio

Curative Field




Pharmaceuticals (10%)

Transdermal Drug Delivery System for Angina

Special Catheter

Medical Test Field



Reagent for Syphilis Test

Vacuum Blood Collection Tube

Medical-Related Business

Sales in FY2005: 11.5 b. yen

Diagnostics (23%)

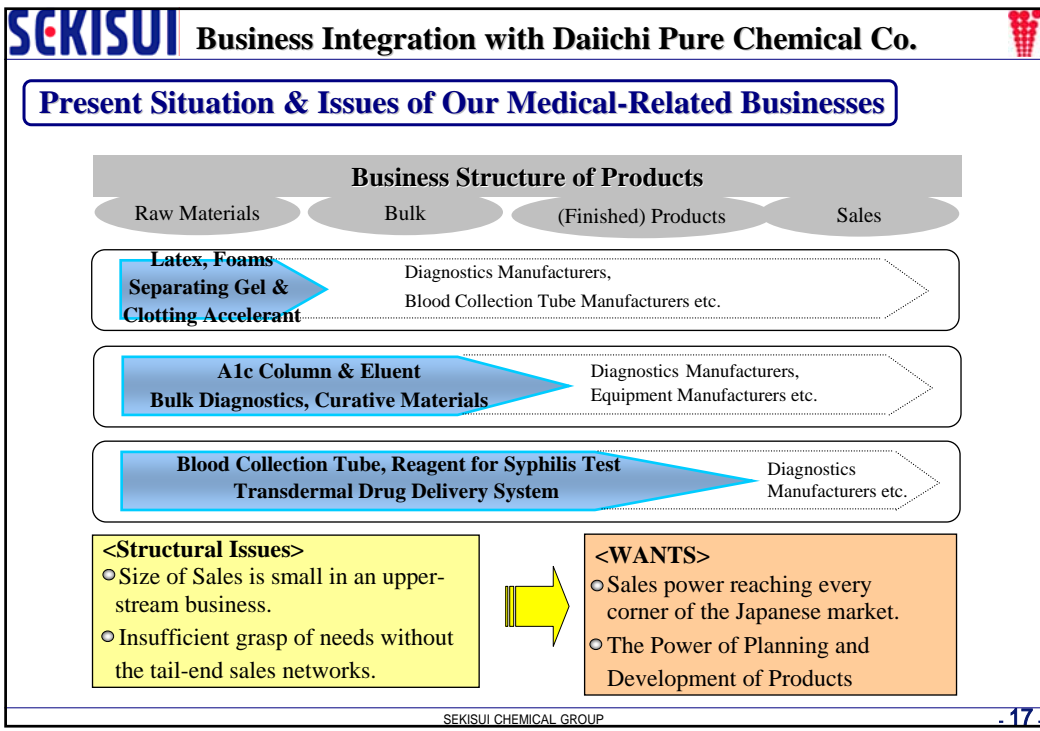
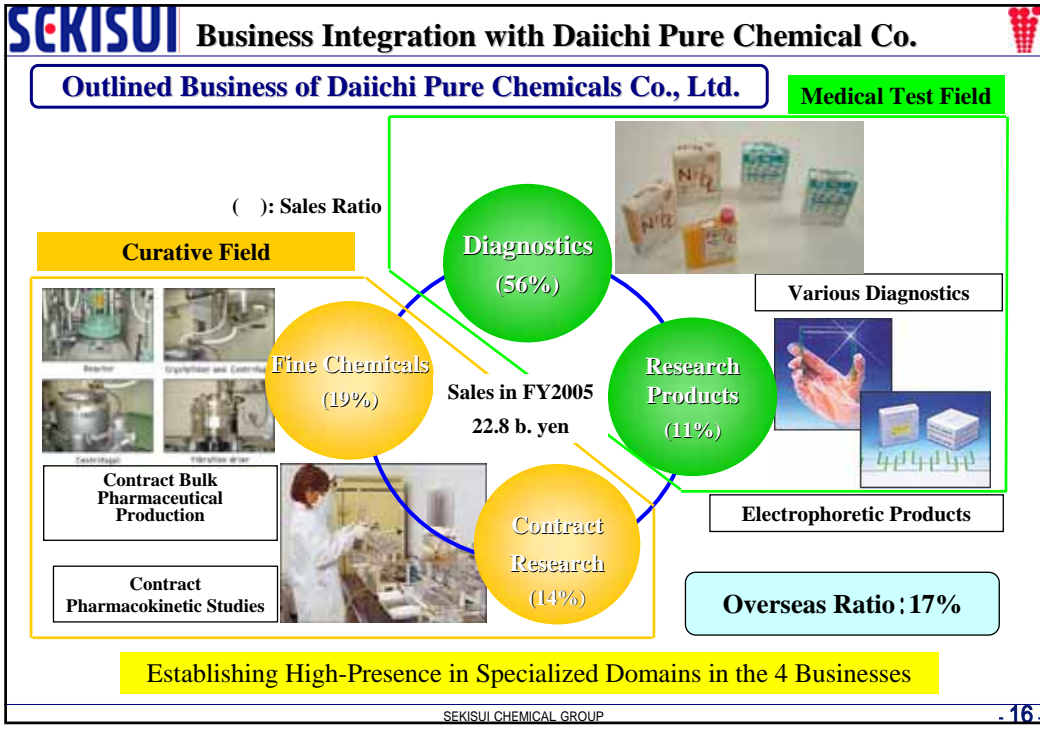
Medical Devices (49%)

Medical Equipment (18%)

Overseas Ratio : 21%

Developing various sorts of medical-related products based on our high polymer technology

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SEKISUI Business Integration with Daiichi Pure Chemical Co.

Present Situation & Issues in Daiichi Pure Chemicals Co., Ltd.

Competition among Giant Producers in Overseas Market

Overseas Sales Ratio 17 %

Global Expansion Strategy is absolutely necessary.

<Issues>

- Reinforcing Competitive Power of Products and Technology
- Full-scale penetration into Overseas Market
- Strategic Investment (Equipment and M&A)

➔

<WANTS>

- Integration of Material Technology and Product Development Capability
- Mutual Exploitation of Sales Power and Overseas Bases
- Priority Investment in Strategic Business

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SEKISUI Business Integration with Daiichi Pure Chemical Co.

Concept of Integration

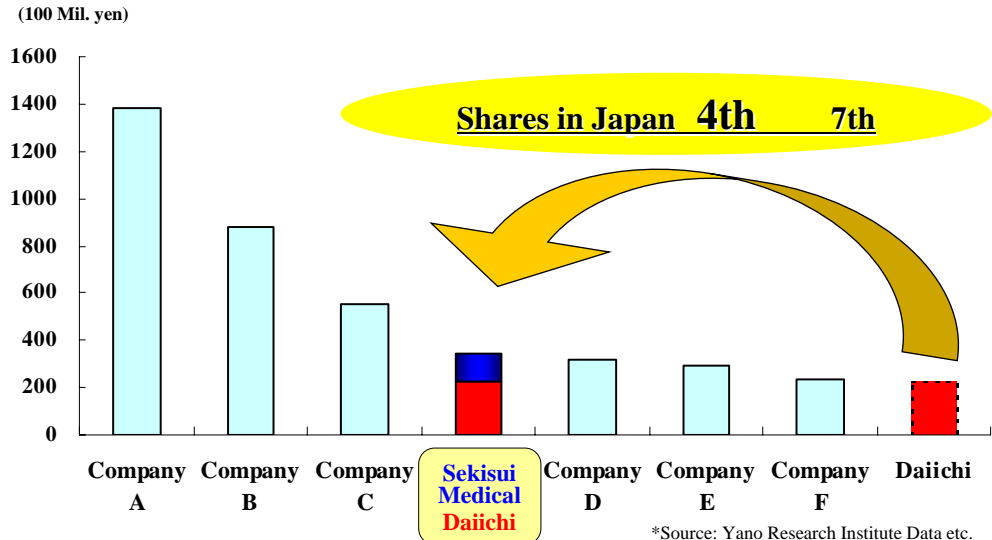
Vertical Integration

Materials & Basic Technology	Development Planning & Product Development	Production Technology & Productization	Sales
Sekisui Chemical Co. <Polymer Technology>	Daiichi Pure Chem.		Daiichi Pure Chem. <Sales Power> + Sekisui Chemical Co. <Overseas Operating Bases>

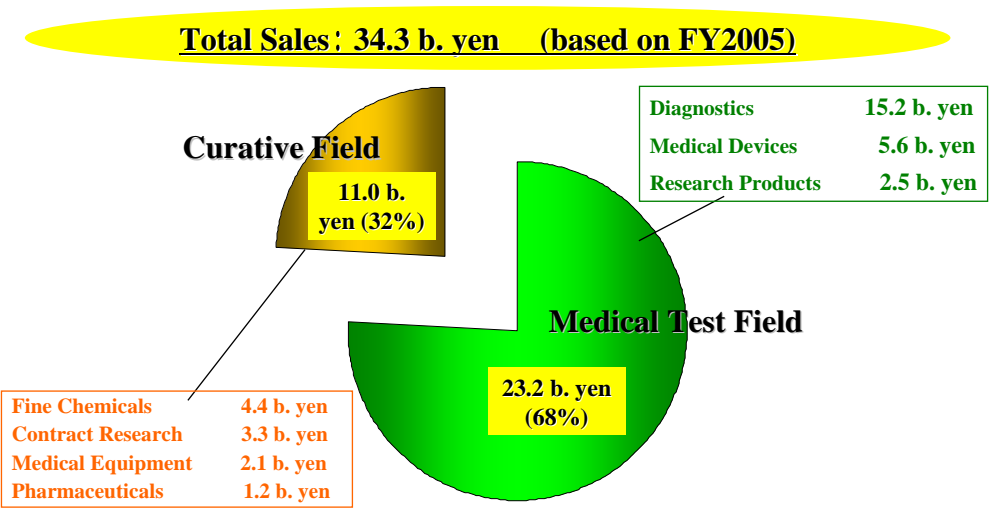
Accomplishing the Value-chain from Raw Material to Sales

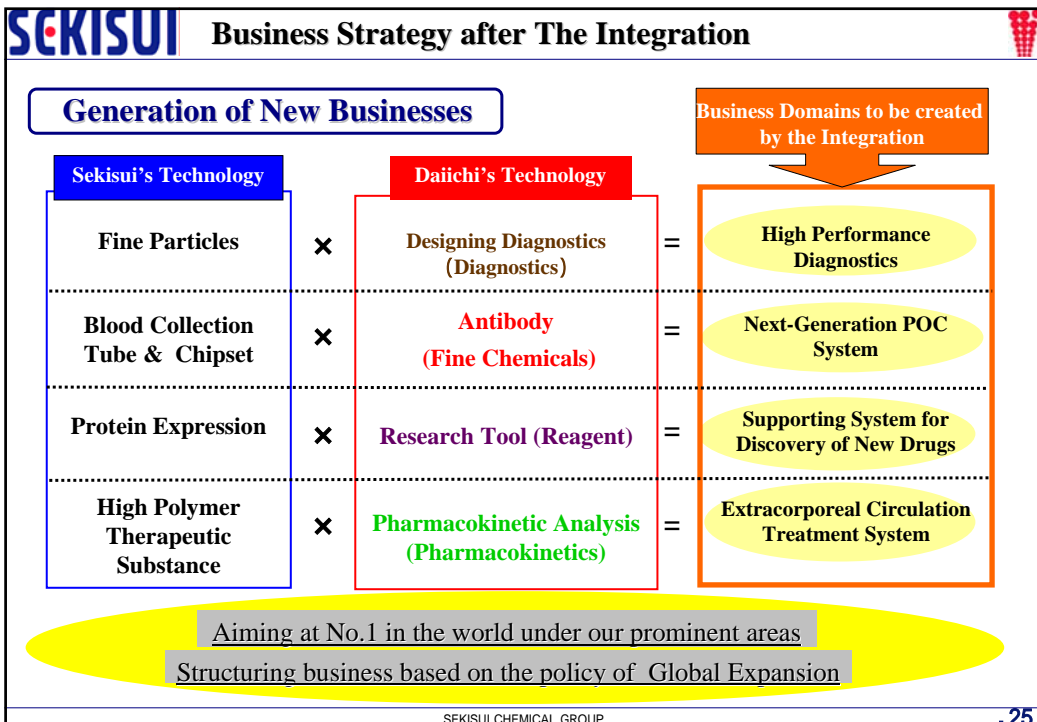
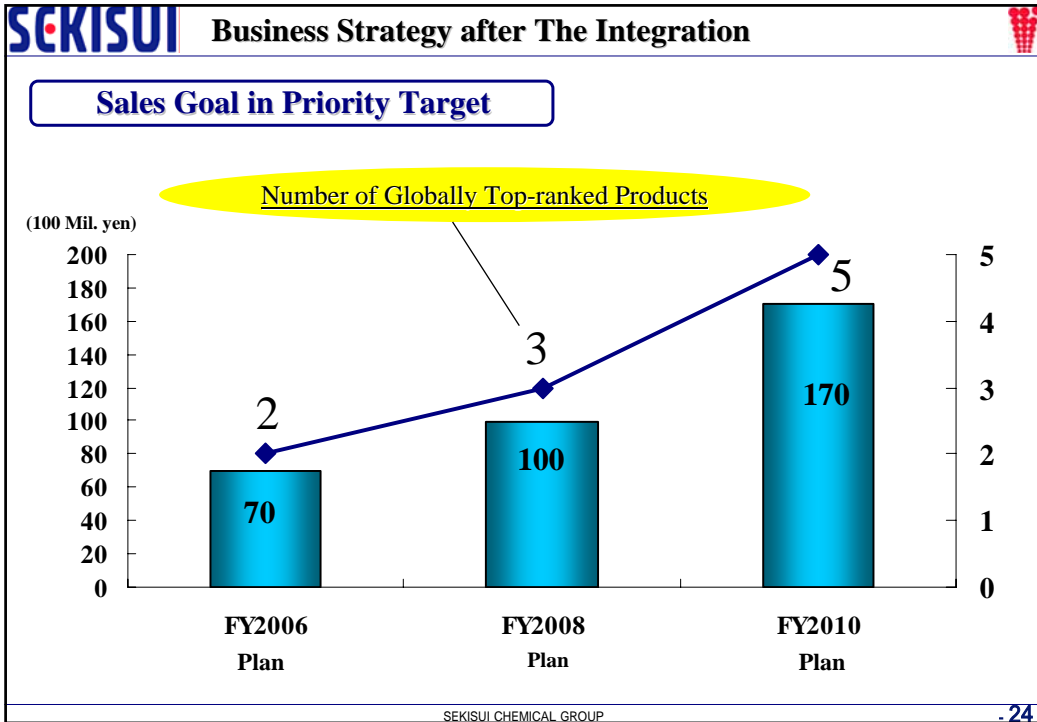
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Sales of The Companies producing mainly Test Agent (in FY2005)



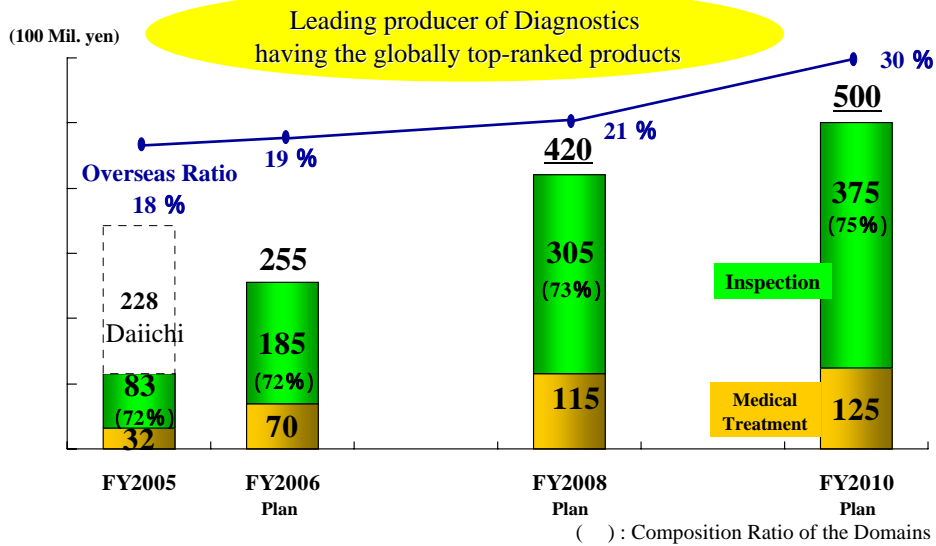
Breakdown of Sales after The Integration







Sales Target of Medical-Related Business after the Integration



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