

**Summary of Consolidated Financial Results for the First Quarter of Fiscal Year 2011 Ending March 31, 2012**  
**<Under Japanese GAAP>**

July 28, 2011

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  
 Inquiries: Mr. Manabu Yamasaki, General Manager, Corporate Communication Dept.  
 TEL: +81-3- 5521-0522  
 Scheduled date for submission of quarterly financial statement: August 11, 2011  
 Scheduled date for payment of dividends: -  
 Quarterly earnings supplementary explanatory documents: Yes  
 Quarterly earnings results briefing: Yes

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the First Quarter (April 1, 2011 to June 30, 2011)

(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	%
1st Q of FY2011	213,721	8.9	5,574	490.3	4,655	-	-608	-
1st Q of FY2010	196,300	15.8	944	-	-336	-	-3,000	-

Note. Comprehensive Income June 30, 2011: 3,554 million yen (-%) June 30, 2010: -12,574 million yen (-%)

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
1st Q of FY2011	-1.17	-
1st Q of FY2010	-5.71	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
1st Q of FY2011	813,347	349,287	41.6
FY2010	790,189	350,045	43.0

Note. Shareholders' Equity June 30, 2011: 338,730million yen March 31, 2011: 339,736 million yen

2. Dividend Status

(Date of Record)	Dividend Per Share				
	At the end of 1st Q	At the end of 2nd Q	At the end of 3rd Q	Year-end	Full year
	yen	yen	yen	yen	yen
FY2010	-	5.00	-	8.00	13.00
FY2011	-	-	-	-	-
FY2011 (outlook)	-	7.00	-	7.00	14.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY 2011 (April 1, 2011 to March 31, 2012)

(% 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	472,000	5.8	23,000	13.6	23,000	12.0	11,000	24.2	21.07
Full Year	980,000	7.0	57,000	15.5	55,000	13.9	26,000	10.3	49.81

Note. Recent revision of consolidated earnings estimates: Yes

Please refer to the "Announcement Regarding Revisions to the Earnings Forecast" released today (July 28, 2011) for details of the changes to the consolidated earnings forecast.

4. Other (Please see “II. Other Information” (page 6) for further details)

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

Newly consolidated: 1(Sekisui Diagnostics,LLC.)

Note: Changes in the status of specified subsidiaries during the period associated with change in scope of consolidation.

(2) Application of special methods for quarterly consolidated financial statements: Yes

Note: Application of simplified accounting methods and/or special accounting methods for preparation of the quarterly consolidated financial statements.

(3) Changes to the accounting policy, changes or restatements of the accounting estimates

a) Changes caused by revisions to accounting principles: No

b) Changes other than a): No

c) Amendments to accounting estimates: No

d) Restatements: No

Note: Changes in accounting principles, procedures, or representation methods relating to the preparation of the consolidated financial statements described in “Changes in the Basis for Presentation of the Consolidated Financial Statements.”

(4)Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock):	1st Q of FY2011	539,507,285 shares
	FY2010	539,507,285 shares
b) Treasury stock at the end of term:	1st Q of FY2011	17,507,511 shares
	FY2010	17,503,791 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	1st Q of FY2011	522,002,571 shares
	1st Q of FY2010	525,343,242 shares

Note: Declaration of the review status of the Quarterly Financial Report

This Quarterly Financial Report is not subject to quarterly review procedures as stipulated in the Financial Instruments and Exchange Act and, at the time of release, review procedures as stipulated in the Financial and Exchange Act had not been completed for the Quarterly Financial Report.

Note: Remarks on appropriate use of forecasted results of operation and other special matters

1. The full-year consolidated forecasts presented in this report are unchanged from the forecasts announced on April 27, 2011.

The “Announcement Regarding Revisions to the Earnings Forecast” released today (July 28, 2011) includes revised earnings forecasts for the second quarter (cumulative estimates).

2. The earnings forecasts and other forward-looking statements presented in this report are based on information available at the time of the report and on certain assumptions that the Company considers reasonable. Various factors can cause actual results to differ materially from the forecasts. For important matters regarding the conditions associated with the assumptions of the forecasts and the appropriate use of the forecasts, please see “Consolidated Earnings Forecast” on page 6 of the Quarterly Financial Report (Supplementary Material)

## **I. Qualitative Information and Financial Review**

### **1. Consolidated Business Results**

#### **1) Overview of Conditions through the First Quarter of Fiscal 2011**

**(April 1, 2011, to June 30, 2011)**

Sekisui Chemical achieved growth in consolidated sales and income in the first quarter of fiscal 2011 and recorded its highest-ever level of first quarter operating income since implementing the internal company system, by capturing steadily growing demand in Japan and overseas and implementing leveling measures for housing business production and construction activities.

The Company's production and sales operations were impacted by the Great East Japan Earthquake; however, we mobilized the housing and urban infrastructure and environmental products businesses to contribute to restoration and reconstruction efforts in the stricken regions. We also expanded sales in our high-growth fields, the designated Frontier 7\* businesses, and overseas in developing countries, notably Asia, as well as in Europe and the United States.

We also took concrete steps during the quarter to fortify our business growth prospects, including entering a new segment of the IT field through the acquisition of Suzutora Corporation (current Sekisui Nano Coat Technology Co., Ltd.), a manufacturer and marketer of indium tin oxide (ITO) films.

\*"Frontier 7" Businesses: the Housing Company's living environment business; UIEP's pipeline renewal business, water infrastructure business (overseas), and performance materials business; and HPP's automotive materials (AT), IT-related materials (IT), and medical products (MD).

#### **2) Business Results by Company**

**(April 1, 2011, to June 30, 2011)**

##### **Housing Company**

The Housing Company's focus during the quarter was on providing restoration and reconstruction support to the areas stricken by the Great East Japan Earthquake by supplying temporary housing, engaging in repair work, and other assistance. The company achieved growth in both sales and income by implementing leveling measures for production and construction activities, reinforcing its earning capability and by minimizing the impacts from material and power shortages and other repercussions of the earthquake. The company also increased order volume by fortifying its businesses structure, primarily by increasing its sales staff, to ensure ongoing steady growth amid an increasingly uncertain external environment.

The new construction business recorded a year-on-year increase in housing orders on a rise in orders from the Tohoku region of Japan and from the sales launch of the upgraded Smart Heim series of

homes offering the advanced environmental, economical, high-performance features of the Company's Home Energy Management System (HEMS). The company made the strategic decision to begin integrating the production and sales operations in the Tokyo, Kinki, and Chubu regions in July with the objectives of expanding market share in the regions and enhancing operating efficiency.

The living environment business posted a substantial increase in the value of orders on strong sales of solar power generation systems—the advantages of which were reconfirmed by the earthquake—and as a result of the constant drive to expand sales of its mainstay products. The company also strengthened its sales structure and conducted education and training programs to reinforce its product proposal capabilities.

### **Urban Infrastructure and Environmental Products**

Revenue improved markedly for the UIEP Company in the quarter as the company increased the sales volume of its core PVC pipes and steadily attracted demand overseas. The UIEP Company also dispatched a project team and donated PVC pipe, PE pipe for water supply, and other infrastructure items needed to reestablish essential lifelines and support the reconstruction effort in areas stricken by the Great East Japan Earthquake.

Overseas, the company posted sales growth in both the industrial piping materials and pipeline renewal businesses. Orders in the industrial piping materials business increased in its existing IT field as well as in new areas, including the steel, chemicals, and other fields. The pipeline renewal business recorded increased sales for its SPR method projects in the United States on the back of fortified alliances with its construction partners.

The UIEP Company also implemented a company-wide effort in all its business segments to accelerate development of its value chain to fully establish its ability to provide total solutions from testing and diagnostics to engineering, products, construction, and maintenance and management. As a key step in this direction, the company entered into a comprehensive business alliance with Swing Corporation with the aim of attracting orders for projects combining pipeline infrastructure and treatment facility construction.

### **High Performance Plastics**

The HPP Company posted year-on-year sales growth for the quarter thanks to ongoing strong sales overseas. Nevertheless, the company recorded a decline in income because of the repercussions of the Great East Japan Earthquake, soaring prices for raw materials and an unfavorable foreign exchange rate.

Automotive field sales were strongly impacted by the earthquake, a consequence of which was reduced operating rates at auto manufacturers, particularly domestic automakers. However, the company was

able to hold automotive field sales virtually even with the previous year level by substantially increasing sales volume for interlayer film for laminated glass on strong demand in developing countries, mainly Asia, and rebounding demand in the European and United States markets.

In the IT field, the proliferation of tablet computers and smartphones supported ongoing brisk business in the market for LCD panels. Sales volumes for LCD fine particles and other liquid-crystal chemical products were also better than anticipated due to a surge in demand after the earthquake as customers moved to secure inventories. In addition, the company acquired indium tin oxide (ITO) film manufacturer and marketer Suzutora Corporation in April, which in July it renamed Sekisui Nano Coat Technology Co., Ltd.

In the medical field, contributions from newly consolidated companies, including the U.S.-based diagnostics business Sekisui Diagnostics, LLC, acquired in January, supported a year-on-year rise in sales. However, temporary costs associated with the integrating the businesses and a drop in domestic sales volume due to the earthquake resulted in a year-on-year decline in income.

## **2. Consolidated Financial Position**

### **1) Financial Position (April 1, 2011, to June 30, 2011)**

Total assets amounted to ¥813.3 billion at the end of the first quarter of fiscal 2011, representing an increase of ¥23.1 billion from the end of fiscal year 2010. The increase was the net sum of a ¥32.3 billion increase in fixed assets and a ¥9.1 billion decline in current assets, which was primarily due to decreases in cash and deposits and accounts receivable.

Liabilities increased ¥23.9 billion to ¥464.0 billion from the end of the previous fiscal year, mainly as a result of increases in bonds and advances received.

Net assets decreased ¥0.7 billion from the end of fiscal year 2010, to ¥349.2 billion. Equity after deducting minority shareholders' interests from net assets amounted to ¥338.7 billion. The equity ratio was 41.6%.

### **2) Cash Flows (April 1, 2011, to June 30, 2011)**

Net cash provided by operating activities amounted to ¥8.3 billion. Cash inflows included a ¥2.7 billion in income before income taxes and minority interests and ¥8.1 billion in depreciation and amortization along with a ¥9.2 billion decrease in notes and accounts receivable and a ¥5.2 billion increase in advances received. These exceeded cash outflows, which included an increase of ¥8.7 billion in inventories and ¥7.6 billion in income taxes paid.

Cash flow from investing activities decreased to ¥33.4 billion. The decline was largely due to aggressive investment activities that included ¥5.6 billion to purchases of property, plant and equipment

focused on priority and growth fields, and a ¥29.9 billion outlay used for the transfer of the diagnostic agents business from Genzyme Corporation, of the United States, and used to acquire Suzutora Corporation and purchase subsidiary stock to reorganize the company as a consolidated subsidiary.

Net cash used in financing activities increased to ¥2.0 billion. The main elements were dividend payments of ¥4.2 billion and a net ¥6.3 billion increase in interest-bearing debt.

The result of the above was a balance of cash and cash equivalents of ¥44.2 billion at the end of the first quarter of fiscal 2011.

### 3. Consolidated Earnings Forecast

The Company had not previously determined consolidated earnings forecasts for the first half of fiscal 2011 owing to the inability to form reasonable performance estimates due to the repercussions of the Great East Japan Earthquake. The Company decided to announce the following consolidated forecasts based on the recent business conditions and trends in the Company's earnings performance.

Consolidated forecast for the first half of fiscal 2011	Current forecast	Previous forecast (Announced on April 27, 2011)
Net Sales (Millions of yen)	472,000	—
Operating Income (Millions of yen)	23,000	—
Recurring Income (Millions of yen)	23,000	—
Net Income (Millions of yen)	11,000	—
Net Income per Share (Yen)	21.07	—

## II. Other Information

### 1. Significant changes in subsidiaries during the term:

Due to the increasing importance of Sekisui Diagnostics, LLC, the Company was brought into the scope of consolidation during the first quarter of consolidated fiscal year 2011.

### 2. Application of special accounting methods for the preparation of quarterly consolidated financial statements:

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

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

**3. Changes to the accounting policy, changes or restatements of the accounting estimates**

## Supplementary information

For accounting changes and error corrections made after the beginning of the first quarter, the Company has applied the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, revised December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, revised December 4, 2009).

## 3. Consolidated Financial Statement (First Quarter, Fiscal Year 2011)

## (1) Consolidated Balance Sheets

First Quarter, Fiscal Year 2011

(Millions of Yen)

	End Fiscal Year 2010, Condensed Consolidated Balance Sheet	End First Quarter, Fiscal 2011
	As of March. 31, 2011	As of June 30, 2011
(Assets)		
Current Assets		
Cash and deposits	75,021	60,868
Trade notes receivable	38,688	40,558
Accounts receivable	109,263	103,098
Securities	10,501	0
Merchandise and finished goods	39,332	46,064
Subdivision land	19,146	18,977
Work in progress	37,015	41,824
Raw materials and supplies	22,361	25,142
Advances	633	439
Prepaid expenses	2,531	2,594
Deferred tax assets	12,341	12,850
Short-term loans	1,118	718
Other	12,530	18,216
Allowance for doubtful accounts	-999	-1,038
Total current assets	379,485	370,315
Fixed assets		
Tangible fixed assets		
Buildings & structures, net	85,005	86,521
Machinery, equipment and tools, net	64,515	67,100
Land	69,184	69,273
Leased assets, net	7,163	7,065
Construction in progress	5,516	7,971
Other, net	4,867	5,109
Total tangible fixed assets	236,253	243,042
Intangible fixed assets		
Goodwill	19,290	29,152
Software	4,341	4,487
Leased assets	381	367
Other	5,799	22,891
Total intangible assets	29,813	56,900
Investments and other assets		
Investment securities	105,307	102,577
Long-term loans	552	578
Long-term prepaid expenses	1,124	1,111
Deferred income taxes	27,340	28,587
Other	11,569	11,458
Allowance for doubtful accounts	-1,258	-1,224
Total investments and other assets	144,636	143,088
Total fixed assets	410,704	443,031
Total assets	790,189	813,347

(Millions of Yen)

	End Fiscal Year 2010, Condensed Consolidated Balance Sheet	End First Quarter, Fiscal 2011
	As of March. 31, 2011	As of June 30, 2011
<b>(Liabilities)</b>		
Current liabilities		
Trade notes payable	7,324	10,184
Accounts payable	118,027	114,292
Short-term loans	40,325	42,706
Lease obligation	3,102	3,005
Accrued expenses	27,257	25,542
Accrued income taxes	9,107	4,480
Deferred tax liabilities	162	191
Provision for bonuses	14,308	11,655
Provision for directors' bonuses	223	—
Provision for compensation for completed constructions	1,127	1,136
Advances received	44,153	49,935
Other	35,981	47,813
Total current liabilities	301,101	310,944
Fixed liabilities		
Bonds	10,000	20,500
Long-term loans	66,702	67,991
Lease obligation	4,378	4,352
Deferred tax liabilities	4,949	7,220
Provision for retirement allowances	47,761	47,737
Other	5,249	5,312
Total fixed liabilities	139,042	153,114
Total liabilities	440,143	464,059
<b>(Net assets)</b>		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,307	109,307
Retained earnings	172,689	167,821
Treasury stock	-13,017	-13,019
Total shareholders' equity	368,982	364,111
Accumulated other comprehensive income (loss):		
Unrealized holding gain (loss) on securities	-8,202	-9,792
Deferred hedge loss	-123	-137
Unrealized gain on land revaluation	199	203
Foreign currency translation adjustments	-21,119	-15,655
Total accumulated other comprehensive loss	-29,245	-25,381
Share subscription rights	611	639
Minority shareholders' interests	9,697	9,917
Total net assets	350,045	349,287
Total liabilities, net assets	790,189	813,347

## (2) Consolidated Statements of Income and Statement of Comprehensive Income

## Consolidated Statements of Income

First Quarter, Fiscal Year 2011

	(Millions of Yen)	
	First Quarter, Fiscal 2010 (From April. 1, 2010 to June. 30, 2010)	First Quarter, Fiscal 2011 (From April. 1, 2011 to June. 30, 2011)
Net sales	196,300	213,721
Cost of sales	139,926	150,740
Gross income	56,373	62,980
Selling, general & administrative expenses	55,429	57,406
Operating Income	944	5,574
Non-operating income		
Interest income	142	170
Dividend income	315	823
Miscellaneous income	882	742
Total non-operating income	1,340	1,737
Non-operating expenses		
Interest expenses	665	585
Interest on commercial paper	—	1
Sales discounts	73	80
Investment loss by equity method	95	415
Foreign exchange loss, net	947	616
Miscellaneous expenses	837	957
Total non-operating expenses	2,620	2,656
Recurring income (loss)	-336	4,655
Extraordinary expenses		
Loss on impairment of fixed assets and goodwill	—	1,792
Loss on sales or disposal of property, plant and equipment	249	137
Total extraordinary expenses	249	1,930
Income (loss) before income taxes and minority interes	-585	2,724
Income taxes	2,371	3,147
Income (loss) before minority interests	-2,956	-423
Minority interests	43	184
Net income (loss)	-3,000	-608

Consolidated Statement of Comprehensive Income  
First Quarter, Fiscal Year 2011

	(Millions of Yen)	
	First Quarter, Fiscal 2010 (From April. 1, 2010 to June. 30, 2010)	First Quarter, Fiscal 2011 (From April. 1, 2011 to June. 30, 2011)
Income (loss) before minority interests	-2,956	-423
Other comprehensive income (loss)		
Unrealized holding loss on securities	-8,426	-1,627
Deferred loss on hedges	-130	-14
Translation adjustments	-1,017	5,578
Comprehensive income (loss) of affiliates accounted for by the equity method attributable to the Company	-42	41
Total other comprehensive income (loss)	-9,617	3,977
Comprehensive income (loss)	-12,574	3,554
Comprehensive income (loss) attributable to:		
Shareholders of the Company	-12,737	3,255
Minority shareholders	163	298

## (3) Consolidated Statements of Cash Flows

First Quarter, Fiscal Year 2011

(Millions of Yen)

	First Quarter, Fiscal 2010 (From April 1, 2010 to June 30, 2010)	First Quarter, Fiscal 2011 (From April 1, 2011 to June 30, 2011)
<b>Operating activities</b>		
Income (loss) before income taxes and minority interests	-585	2,724
Depreciation and amortization	8,250	8,180
Goodwill amortization	741	782
Loss on impairment of fixed assets and goodwill	—	1,792
Loss on disposal of property, plant and equipment	241	130
Decrease in reserve for bonuses	-3,693	-2,808
Decrease in accrued retirement benefits	-43	-83
Interest and dividend income	-457	-994
Interest expense	739	666
Equity in earnings of affiliates	95	415
Decrease in trade notes and accounts receivable	12,934	9,225
Increase in inventories	-8,363	-8,798
Decrease in account payable	-7,982	-6,385
Decrease in consumption tax payable	-1,040	-995
Increase in advances received	6,908	5,218
Other	255	6,325
Subtotal	8,001	15,396
Interest and dividends received	747	1,281
Interest paid	-746	-631
Income taxes paid	-6,779	-7,661
Net cash provided by (used in) operating activities	1,222	8,385
<b>Investing activities</b>		
Payments for placement of time deposits	-48	-12,001
Proceeds from time deposits	246	13,006
Purchases of property, plant and equipment	-7,443	-5,684
Proceeds from sales of property, plant and equipment	165	231
Purchases of investment securities	-751	-992
Proceeds from sales of investment in securities	113	2,010
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	—	-13,942
Acquisition of businesses	—	-16,034
Purchases of intangible assets	-352	-492
Decrease (increase) in short-term loans	-644	400
Other	-285	72
Net cash used in investing activities	-8,999	-33,427
<b>Financing activities</b>		
Decrease from short-term loans payable, net	-3,538	-576
Payment for return of finance leases	-1,032	-916
Proceeds from long-term loans	2,747	6,951
Repayment of long-term loans	-5,107	-9,123
Proceeds from issuance of bonds	—	10,000
Dividends paid	-2,630	-4,185
Cash dividends paid to minority shareholders of consolidated subsidiaries	-61	-54
Other	-15	-24
Net cash used in (provided by) financing activities	-9,638	2,070
Effect of exchange rate changes on cash and cash equivalents	-306	996
Net decrease in cash and cash equivalents	-17,723	-21,974
Cash and cash equivalents at beginning of term	54,855	65,944
Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	570	325
Cash and cash equivalents at end of term	37,703	44,295

## (4) Notes regarding the premise of a going concern

No significant changes during the term under review.

## (5) Segment Information

I. Consolidated First Quarter, Fiscal 2010 (April 1, 2010 to June 30, 2010)

## 1. Net sales and income (loss) data by reporting segment

(Millions of Yen)

	Reporting Segment			Total	Other (Note)	Total
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics			
I. Net sales:						
(1) To third parties	85,959	34,996	66,807	187,764	8,536	196,300
(2) Intersegment	2	2,534	1,405	3,942	1,189	5,132
Total	85,962	37,530	68,213	191,707	9,725	201,432
Operating income (loss)	-627	-3,227	5,283	1,428	-485	944

Note: The Other segment is not a reporting segment, which includes manufacturing and sales of flat panel display manufacturing equipment, agricultural and construction materials, and provision of services.

## 2. Difference between the total of reporting segments in incomes (losses) and the corresponding amounts reported in the quarterly consolidated statements of income, and the primary items contributing to the difference

(Items related to the difference)

Income	(Millions of Yen)
Total of reporting segments	1,428
Other Business income (loss)	-485
Inter-segment elimination total	151
Corporate expenses (Note)	-150
Total operating income reported in the quarterly consolidated statements of income	944

Note: Corporate expenses are mainly general administrative expenses not attributable to a reporting segment.

## 3. Regional Information

Overseas net sales

	U.S.	Europe	Asia	Others	Total
I. Overseas net sales (millions of yen)	12,672	11,524	15,663	2,241	42,102
II. Consolidated net sales (millions of yen)					196,300
III. Overseas net sales as a ratio of consolidated net sales (%)	6.5	5.9	8.0	1.1	21.4

## II. Consolidated First Quarter, Fiscal 2011 (April 1, 2011 to June 30, 2011)

## 1. Net sales and income (loss) data by reporting segment

(Millions of Yen)

	Reporting Segment				Other (Note)	Total
	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Total		
I. Net sales:						
(1) To third parties	95,401	38,751	70,978	205,131	8,589	213,721
(2) Intersegment	317	2,949	1,519	4,785	740	5,526
Total	95,718	41,701	72,497	209,917	9,330	219,247
Operating income (loss)	2,306	-1,296	4,696	5,706	-503	5,202

Note: The Other segment is not a reporting segment, which includes manufacturing and sales of flat panel display manufacturing equipment, agricultural and construction materials, and provision of services.

## 2. Difference between the total of reporting segments in incomes (losses) and the corresponding amounts reported in the quarterly consolidated statements of income, and the primary items contributing to the difference

(Items related to the difference)

Income	(Millions of Yen)
Total of reporting segments	5,706
Other Business income (loss)	-503
Inter-segment elimination total	512
Corporate expenses (Note)	-141
Total operating income reported in the quarterly consolidated statements of income	5,574

Note: Corporate expenses are mainly general administrative expenses not attributable to a reporting segment.

## 3. Information related to loss on impairment of fixed assets and goodwill for each segment

## Consolidated First Quarter, Fiscal 2011 (April 1, 2011 to June 30, 2011)

## (Material changes in the amount of goodwill)

In the high-performance plastics segment, the Company acquired the diagnostic reagents business of Genzyme Corporation. The increase in goodwill from this transaction amounted to ¥3,536 million in the first quarter of the current consolidated fiscal year. The goodwill amount provided is a provisional figure. The acquisition amount has not been finalized and the allocation of the acquisition amount has not been completed.

Also in high-performance plastics segment, the Company acquired Suzutora Corporation via the acquisition of shares and made the company a consolidated subsidiary. The increase in goodwill from this transaction amounted to ¥6,833 million in the first quarter of the current consolidated fiscal year.

## 4. Regional Information

## Overseas net sales

	U.S.	Europe	Asia	Others	Total
I. Overseas net sales (millions of yen)	13,040	14,119	16,066	3,244	46,471
II. Consolidated net sales (millions of yen)					213,721
III. Overseas net sales as a ratio of consolidated net sales (%)	6.1	6.6	7.5	1.5	21.7

## (6) Significant Change in Shareholder Equity

No significant change during the term under review.