

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

October 27, 2011

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
 Code Number: 4204
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 Scheduled date for submission of quarterly financial statement: November 9, 2011
 Scheduled date for payment of dividends: December 1, 2011
 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 Half (April 1, 2011 to September 30, 2011)

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1st H of FY2011	471,406	5.7	24,702	22.0	25,160	22.6	13,299	50.1
1st H of FY2010	446,190	10.0	20,245	75.9	20,530	106.6	8,857	364.6

Note: Comprehensive Income September 30, 2011: 14,974 million yen (-) September 30, 2010: -9,412 million yen (-)

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
1st H of FY2011	25.47	25.46
1st H of FY2010	16.86	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
1st H of FY2011	829,984	361,577	42.2
FY2010	790,189	350,045	43.0

Note: Shareholders' Equity September 30, 2011: 350,034 million 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	-	7.00	-	-	-
FY2011 (outlook)	-	-	-	7.00	14.00

Note: Revision of dividend estimates in the second quarter: No

3. Consolidated Outlook for FY2011 (April 1, 2011 to March 31, 2012)

(% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	985,000	7.6	59,000	19.6	57,500	19.1	28,000	18.8	53.62

Note: Revision of consolidated earnings estimates in the second quarter: Yes

4. Other (Please see “II. Other Information” (page 7) for further details)

(1) Significant change of subsidiary companies during the term: 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):	2nd Q of FY2011	539,507,285 shares
	FY2010	539,507,285 shares
b) Treasury stock at the end of term:	2nd Q of FY2011	17,316,870 shares
	FY2010	17,503,791 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	2nd Q of FY2011	522,070,480 shares
	2nd Q of FY2010	525,341,131 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 Company's consolidated forecasts figures for the full fiscal year changed from the announcement April 27, 2011.
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 7 of the Quarterly Financial Report (Supplementary Material)

I. Qualitative Information and Financial Review

1. Consolidated Business Results

1) Overview of Conditions through the First Half of Fiscal Year 2011

(April 1, 2011, to September 30, 2011)

Sekisui Chemical recorded growth in consolidated revenue in the first half of fiscal year 2011, largely resulting from capturing demand in the core domestic operations of the Housing Company and the Urban Infrastructure & Environmental Products (UIEP) Company, and from the contribution of a newly consolidated company acquired by the High Performance Plastics (HPP) Company.

The Company's profit performance was affected by one-time costs associated with M&A activities along with impacts from the foreign exchange rates and rising raw material costs. However, the Company recorded its highest operating income level for a first half since implementing the internal company system, as increased marginal profit from the increased sales and progress with cost reduction efforts produced overall profit growth.

During the term, we took concrete steps to fortify our business growth prospects, including acquiring Suzutora Corporation (currently Sekisui Nano Coat Technology Co., Ltd.) in the IT field, establishing a joint venture vehicle components molding business in India, and entering into a business alliance with Swing Corporation in the water infrastructure-related business.

The Housing Company and the UIEP Company focused on providing restoration and reconstruction support to the regions stricken by the Great East Japan Earthquake by supplying temporary housing and water infrastructure-related products.

2) Business Results by Company (April 1, 2011, to September 30, 2011)

Housing Company

The Housing Company achieved growth in sales and income in the first half of the consolidated fiscal year by capturing demand steadily for both the new housing construction and the living environment businesses.

In addition, the Housing Company completed its nationwide structural reorganization with the shift in July to the integrated production and sales operations in the Tokyo, Kinki, and Chubu areas. Integrated operations enhanced our abilities to cultivate marketing catered to local area characteristics, to achieve leveling of our production and construction operations, and to increase our earning strength. We also fortified our operating structure, including augmenting our sales staff, to improve our ability to maintain steady business growth even during periods of an uncertain external environment.

The new housing construction business recorded increased housing sales in the first half, as the brisk order trend continued from the third quarter of fiscal year 2010. The business also posted a year-on-year increase in housing orders, resulting from meeting demand for seismic-resistant housing in and around areas affected by the Great East Japan Earthquake and from the contribution to sales of the Smart Heim series of homes offering the advanced environmental, economical, and high-performance features of our Home Energy Management System (HEMS) communication technology.

The living environment business also recorded increased sales supported by healthy order activity and virtually no lingering impact, such as project postponements, resulting from the earthquake. Orders rose sharply mainly due to the strong sales of solar power generation systems, which attracted increased interest after the earthquake, and 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.

Activities related to the Great East Japan Earthquake included supplying temporary housing in the stricken areas and a full-scale effort by the company to contribute restoration and reconstruction support, including providing repair work for customers living in houses built by the company.

Urban Infrastructure & Environmental Products Company

The UIEP Company recorded substantial revenue growth in the first half of the consolidated fiscal year on increased sales volumes for water supply and sewerage piping materials and other products and through diligent efforts to counteract the rises in raw material costs.

In Japan, the UIEP Company dispatched a reconstruction project team to areas stricken by the Great East Japan Earthquake. The team participated in restoration and reconstruction support activities, including providing PE pipes for water supply and water tanks to reestablish essential lifelines and supplying PVC pipes and bathroom units for temporary housing constructions.

Overseas, the industrial piping materials business attracted increasing orders in new business fields, notably in South Korea and Taiwan.

With the aim of expanding its business operations, the UIEP Company entered into a business alliance with Swing Corporation in May to accelerate development of its value chain to fully establish its ability to provide total solutions from assessment and diagnosis to design, products, construction, and maintenance and management. The alliance is a concrete step in our plan to attract projects combining pipeline infrastructure and treatment facility construction in the water supply and sewerage business.

High Performance Plastics Company

The HPP Company recorded increased revenue in the first half of the consolidated fiscal year, largely due to the contribution from the new consolidation of an acquired company. Nevertheless, the company posted a decline in income because of the one-time costs associated with the acquisition and the impacts from the foreign exchange rates and rising raw material costs along with other factors.

In the automotive field, the company recorded expanding sales volume, particularly for interlayer film for laminated glass, fueled by growing demand in developing countries, mainly in Asia and Central and South America. However, sales ultimately remained flat year on year, as the impact from the low production operation rates at auto manufacturers following the earthquake. In August, the company established a joint venture vehicle components molding business in India in anticipation of local market growth, and this company commenced manufacture and sales operation.

In the IT field, sales of LCD fine particles and other liquid-crystal chemical products fluctuated from a surge in demand shortly after the earthquake as customers moved to secure inventories that led to a demand backlash during subsequent adjustments to inventories. Liquid-crystal chemical product sales ultimately remained flat year on year. In April, the company acquired indium tin oxide (ITO) film manufacturer and marketer Suzutora Corporation, which was renamed Sekisui Nano Coat Technology Co., Ltd. ITO film is used in touch panels on smart phones and tablet computers, sales of which are expected to grow in the future.

In the medical field, contributions from newly consolidated companies, including the U.S.-based diagnostic reagents business Sekisui Diagnostics, LLC, acquired in January, supported a sharp year-on-year rise in sales. However, one-time costs associated with integrating the businesses put downward pressure on income.

2. Consolidated Financial Position**1) Financial Position (April 1, 2011, to September 30, 2011)**

Total assets amounted to ¥829.9 billion at the end of the first half of fiscal year 2011, representing an increase of ¥39.7 billion from the end of fiscal year 2010. The increase was mainly due to rises of ¥13.2 billion in current assets and ¥26.5 billion in fixed assets.

Liabilities increased ¥28.2 billion to ¥468.4 billion from the end of the previous fiscal year, mainly as a result of increases in bonds and advances received.

Net assets increased ¥11.5 billion from the end of fiscal year 2010, to ¥361.5 billion. Equity after deducting minority shareholders' interests from net assets amounted to ¥350.0 billion. The equity ratio was 42.2%.

2) Cash Flows (April 1, 2011, to September 30, 2011)

Net cash provided by operating activities increased to ¥44.8 billion. Cash inflows included ¥22.4 billion in income before income taxes and minority interests and ¥16.8 billion in depreciation and amortization, along with a ¥9.3 billion decrease in notes and accounts receivable and an ¥8.1 billion increase in advances received. These exceeded cash outflows, which included an increase of ¥11.9 billion in inventories and ¥8.1 billion in income taxes paid.

Net cash used in investing activities decreased to ¥54.1 billion. The decline was largely due to aggressive investment activities that included ¥11.7 billion for 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 reagents business from Genzyme Corporation, of the United States, and to acquire Suzutora Corporation and purchase subsidiary stock to reorganize the company as a consolidated subsidiary.

Net cash used in financing activities decreased to ¥3.9 billion. The main element was dividend payments of ¥4.6 billion.

The result of the above was a balance of cash and cash equivalents of ¥54.0 billion at the end of the first half of fiscal year 2011.

3. Consolidated Earnings Forecast

The Company has revised its consolidated earnings forecast figures from the previous forecast announced on April 27, 2011, to reflect the performance results for the first half of the consolidated fiscal year, which exceeded our initial estimates. The revised forecasts for the full fiscal year 2011 are as follows.

	Current forecast	Previous forecast announced on April 27, 2011
Net Sales (Millions of yen)	985,000	980,000
Operating Income (Millions of yen)	59,000	57,000
Recurring Income (Millions of yen)	57,500	55,000
Net Income (Millions of yen)	28,000	26,000
Net Income per Share (Yen)	53.62	49.81

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 second 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 (Second Quarter, Fiscal Year 2011)

(1) Consolidated Balance Sheets

	(Millions of Yen)	
	End Fiscal Year 2010	End Second Quarter, Fiscal 2011
	(As of March 31, 2011)	(As of September 30, 2011)
(Assets)		
Current Assets		
Cash and deposits	75,021	85,746
Notes receivable	38,688	32,926
Accounts receivable	109,263	109,852
Marketable securities	10,501	7
Merchandise and finished goods	39,332	45,128
Land for sale	19,146	18,247
Work in process	37,015	45,659
Raw materials and supplies	22,361	25,755
Advance payments	633	566
Prepaid expenses	2,531	2,434
Deferred income taxes	12,341	12,576
Short-term loans	1,118	842
Other current assets	12,530	14,066
Allowance for doubtful accounts	-999	-1,053
Total current assets	379,485	392,755
Non-current assets		
Property, plant and equipment, net		
Buildings and structures	85,005	85,423
Machinery, equipment and vehicles	64,515	65,597
Land	69,184	68,108
Leased assets	7,163	6,984
Construction in progress	5,516	7,567
Other	4,867	5,017
Total property, plant and equipment, net	236,253	238,698
Intangible fixed assets		
Goodwill	19,290	28,101
Software	4,341	4,373
Leased assets	381	222
Other	5,799	21,974
Total intangible assets	29,813	54,672
Investments and other assets		
Investments in securities	105,307	102,573
Long-term loans	552	493
Long-term prepaid expenses	1,124	1,122
Deferred income taxes	27,340	29,224
Other	11,569	11,652
Allowance for doubtful accounts	-1,258	-1,208
Total investments and other assets	144,636	143,858
Total non-current assets	410,704	437,229
Total assets	790,189	829,984

(Millions of Yen)

	End Fiscal Year 2010 (As of March 31, 2011)	End Second Quarter, Fiscal 2011 (As of September 30, 2011)
(Liabilities)		
Current liabilities		
Notes payable	7,324	10,631
Accounts payable	118,027	118,175
Short-term debt and current portion of long-term debt	40,325	36,537
Lease obligations	3,102	2,985
Accrued expenses	27,257	27,931
Accrued income and other taxes	9,107	9,821
Deferred income taxes	162	191
Allowance for employees' bonuses	14,308	14,258
Allowance for directors' bonuses and corporate auditors	223	—
Provision for compensation for completed constructions	1,127	1,164
Advances received	44,153	52,905
Other	35,981	42,628
Total current liabilities	301,101	317,233
Long-term liabilities		
Bonds less current maturities	10,000	20,000
Long-term debt less current portion	66,702	67,614
Lease obligations	4,378	4,141
Deferred income taxes	4,949	6,880
Accrued retirement benefits	47,761	47,275
Other	5,249	5,261
Total long-term liabilities	139,042	151,174
Total liabilities	440,143	468,407
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,307	109,292
Retained earnings	172,689	181,729
Treasury stock, at cost	-13,017	-12,875
Total shareholders' equity	368,982	378,148
Accumulated other comprehensive income (loss):		
Unrealized holding loss on securities	-8,202	-10,687
Deferred gain (loss) on hedges	-123	-161
Unrealized gain on land revaluation	199	203
Translation adjustments	-21,119	-17,469
Total Accumulated other comprehensive income	-29,245	-28,114
Stock acquisition rights	611	435
Minority shareholders' interests	9,697	11,107
Total net assets	350,045	361,577
Total liabilities, net assets	790,189	829,984

(2) Consolidated Statements of Income and Statement of Comprehensive Income
 (Consolidated Statements of Income)
 (First Half, Fiscal Year 2011)

	(Millions of Yen)	
	First Half, Fiscal 2010 (From April 1, 2010 to September 30, 2010)	First Half, Fiscal 2011 (From April 1, 2011 to September 30, 2011)
Net sales	446,190	471,406
Cost of sales	315,740	331,392
Gross profit	130,450	140,013
Selling, general & administrative expenses	110,204	115,311
Operating Income	20,245	24,702
Non-operating income		
Interest income	310	326
Dividends income	1,358	1,607
Equity in earnings of affiliates	796	574
Miscellaneous income	2,150	3,565
Total non-operating income	4,615	6,074
Non-operating expenses		
Interest expenses	1,177	1,297
Interest on commercial papers	—	1
Sales discounts	148	159
Foreign exchange loss	1,659	1,895
Miscellaneous expenses	1,345	2,262
Total non-operating expenses	4,330	5,616
Recurring income	20,530	25,160
Extraordinary loss		
Loss on impairment of fixed assets and goodwill	773	2,187
Reorganization costs	824	—
Loss on devaluation of investments in securities	571	—
Loss on sales or disposal of property, plant and equipment	420	546
Total extraordinary loss	2,589	2,734
Income before income taxes and minority interests	17,940	22,426
Income taxes	8,587	8,653
Income before minority interests	9,353	13,772
Minority interests	496	473
Net income	8,857	13,299

(Consolidated Statement of Comprehensive Income)
(First Half, Fiscal Year 2011)

	(Millions of Yen)	
	First Half, Fiscal 2010 (From April 1, 2010 to September 30, 2010)	First Half, Fiscal 2011 (From April 1, 2011 to September 30, 2011)
Income (loss) before minority interests	9,353	13,772
Other comprehensive income (loss)		
Unrealized holding loss on securities	-9,514	-2,520
Deferred loss on hedges	-222	-38
Translation adjustments	-9,049	3,733
Comprehensive income (loss) of affiliates accounted for by the equity method attributable to the Company	20	27
Total other comprehensive income (loss)	-18,766	1,201
Comprehensive income (loss)	-9,412	14,974
Comprehensive income (loss) attributable to:		
Shareholders of the Company	-9,451	14,430
Minority shareholders	39	543

(3) Consolidated Statements of Cash Flows
(First Half, Fiscal Year 2011)

	(Millions of Yen)	
	First Half, Fiscal 2010 (From April 1, 2010 to September 30, 2010)	First Half, Fiscal 2011 (From April 1, 2011 to September 30, 2011)
Operating activities		
Income before income taxes and minority interests	17,940	22,426
Depreciation and amortization	16,784	16,879
Amortization of goodwill	1,417	1,648
Loss on impairment of fixed assets and goodwill	773	2,187
Loss on disposal of fixed assets	410	462
Decrease (increase) in provision for retirement benefits	428	-530
Interest and dividend income	-1,668	-1,933
Interest expenses	1,326	1,457
Equity in earnings of affiliates	-796	-574
Decrease in notes and accounts receivable	7,117	9,304
Increase in inventories	-5,508	-11,943
Increase in notes and accounts payable	1,652	912
Increase in advances received	7,241	8,192
Other	-61	3,809
Subtotal	<u>47,057</u>	<u>52,298</u>
Interest and dividends received	1,934	2,182
Interest paid	-1,307	-1,441
Income taxes paid	-7,856	-8,145
Net cash provided by operating activities	<u>39,828</u>	<u>44,893</u>
Investing activities		
Payments for placement of time deposits	-142	-27,144
Proceeds from time deposits	293	13,006
Purchases of property, plant and equipment	-12,051	-11,727
Proceeds from sales of property, plant and equipment	335	2,444
Purchases of investments in securities	-1,149	-1,093
Proceeds from sales of investment in securities	315	2,155
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	—	-13,942
Acquisition of businesses	—	-16,034
Acquisition of securities in subsidiaries	-209	-811
Purchase of intangible assets	-1,596	-1,068
Decrease in short-term loans	192	278
Other	-641	-171
Net cash used in investing activities	<u>-14,652</u>	<u>-54,109</u>
Financing activities		
Decrease in short-term debt, net	-294	-1,430
Repayments of finance lease obligations	-2,016	-1,814
Proceeds from long-term debt	2,738	9,673
Repayment of long-term debt	-5,204	-17,088
Proceeds from issuance of bonds	—	10,000
Payment for redemption of bonds	—	-500
Revenue from payments by minority interests	—	1,302
Cash dividends paid	-2,629	-4,185
Cash dividends paid to minority shareholders of consolidated subsidiaries	-284	-422
Other	121	532
Net cash used in financing activities	<u>-7,568</u>	<u>-3,932</u>
Effect of exchange rate changes on cash and cash equivalents	<u>-1,832</u>	<u>906</u>
Net decrease (increase) in cash and cash equivalents	<u>15,774</u>	<u>-12,241</u>
Cash and cash equivalents at beginning of term	54,855	65,944
Increase in cash and cash equivalents from initial consolidated subsidiary	574	325
Cash and cash equivalents at end of term	<u>71,204</u>	<u>54,029</u>

(4) Notes regarding the premise of a going concern

No significant changes during the term under review.

(5) Segment Information

I. Consolidated First Half, Fiscal 2010 (April 1, 2010 to September 30, 2010)

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	208,126	83,613	136,704	428,444	17,746	446,190
(2) Intersegment	6	5,633	3,154	8,794	3,850	12,645
Total	208,132	89,247	139,859	437,239	21,596	458,836
Operating income (loss)	11,839	-2,499	11,327	20,666	-240	20,426

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	20,666
Other Business income (loss)	-240
Inter-segment elimination total	95
Corporate expenses (Note)	-276
Total operating income reported in the quarterly consolidated statements of income	20,245

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)	26,234	24,417	33,391	4,645	88,688
II. Consolidated net sales (millions of yen)					446,190
III. Overseas net sales as a ratio of consolidated net sales (%)	5.9%	5.5%	7.5%	1.0%	19.9%

II. Consolidated First Half, Fiscal 2011 (April 1, 2011 to September 30, 2011)

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

(Millions of Yen)

	Reporting Segment				Other (Note)	Total
	Housing	Urban Infrastructure & Environmental	High Performance Plastics	Total		
I. Net sales:						
(1) To third parties	219,024	87,266	147,146	453,436	17,969	471,406
(2) Intersegment	367	6,408	3,250	10,026	2,088	12,114
Total	219,391	93,674	150,396	463,462	20,058	483,521
Operating income (loss)	14,387	-566	10,870	24,691	-314	24,377

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	24,691
Other Business income (loss)	-314
Inter-segment elimination total	627
Corporate expenses (Note)	-301
Total operating income reported in the quarterly consolidated statements of income	24,702

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 Half, Fiscal 2011 (April 1, 2011 to September 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 ¥3,344 million in the first half of the current consolidated fiscal year. The acquisition amounts has not been finalized and the allocation of the acquisition amounts has not been completed as of the end of the first half of the current consolidated fiscal year. Provisional figures have been utilized for accounting purposes. Also in High-Performance Plastics segment, the Company acquired Suzutora Corporation (now Sekisui Nano Coat Technology Co., Ltd.) 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 half 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)	27,480	30,278	33,328	6,087	97,175
II. Consolidated net sales (millions of yen)					471,406
III. Overseas net sales as a ratio of consolidated net sales (%)	5.8%	6.4%	7.1%	1.3%	20.6%

(6) Significant Change in Shareholder Equity

No significant change during the term under review.