



Presentation Meeting on the Financial Results for the First Quarter of FY2012

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Summary of Profit and Loss

(Billions of yen)

	1Q			1H		
	FY2012 (Results)*	FY2011	Difference	FY2012 (Forecasts)*	FY2011	Difference
Net Sales	259.9	213.7	46.2	524.0	471.4	52.6
Operating Income	5.7	5.6	0.2	26.5	24.7	1.8
Recurring Income	4.4	4.7	-0.3	25.5	25.2	0.3
Net Income	2.0	-0.6	2.6	15.0	13.3	1.7

Overseas Subsidiaries Jan–Mar 2012 Results
37.7
0.5

*Due to reporting period revisions for overseas subsidiaries, 1Q FY2012 results include six-month (January to June 2012) contributions and the 1H FY2012 forecasts include nine-month (January to September 2012) contributions from overseas subsidiaries.

Net Sales and Operating Income by Company

(Billions of yen)

	1Q FY2012 (Results)* ¹ (Overseas Subsidiaries, 6-months)				1H FY2012 (Forecasts)* ¹ (Overseas Subsidiaries, 9-months)				Overseas Subsidiaries Jan–Mar 2012 Results	
	Net Sales	Difference	Operating Income	Difference	Net Sales	Difference	Operating Income	Difference	Net Sales	Operating Income
Housing	106.1	10.4	4.4	2.1	230.0	10.6	16.0	1.6	-	-
UIEP* ²	45.2	3.5	-3.1	-1.8	105.0	11.3	0	0.6	4.9	-0.7
HPP* ³	104.7	32.2	5.1	0.4	183.0	32.6	11.5	0.6	32.7	1.3
Others	9.2	-0.1	-0.6	-0.1	21.0	0.9	-0.7	-0.4	0.2	0
Eliminations or Unallocatable Accounts	-5.4	0.1	-0.1	-0.5	-15.0	-2.9	-0.3	-0.6	0	-0.1
Total	259.9	46.2	5.7	0.2	524.0	52.6	26.5	1.8	37.7	0.5

*¹: Due to reporting period revisions for overseas subsidiaries, 1Q FY2012 results include six-month (January to June 2012) contributions and the 1H FY2012 forecasts include nine-month (January to September 2012) contributions from overseas subsidiaries.

*²: Urban Infrastructure & Environmental Products Company *³: High Performance Plastics Company



1Q Results and 1H Forecast

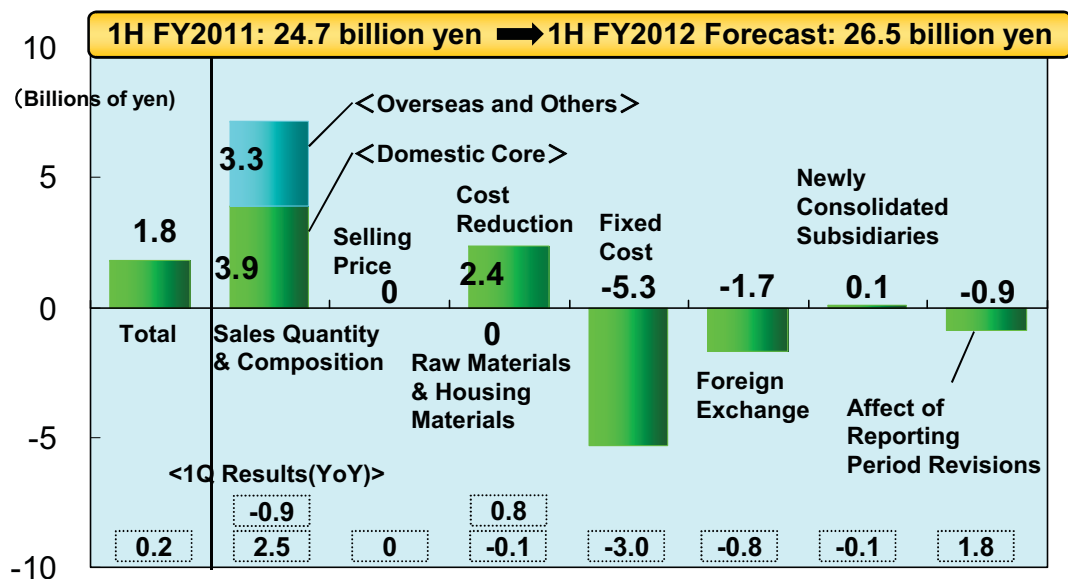
1. 1Q performance progressed generally in line with the 1H plan

- Asserted domestic business presence amid less than expected demand activity
- Demand recovery was as weak as anticipated for the global strategic businesses, including the F7* and other business

2. Response measures implemented as planned for increasing Japan and overseas demand

- Measures to fortify the domestic core businesses progressed (sales launch of next-generation solar-power home and leading the restructuring of the PVC pipe industry)
- Measures implemented to garner investment return (structural reform of the US medical-related businesses, reform of the UIEP Company overseas management structure)

Analysis of Operating Income for the 1H of FY2012 Forecast (YoY)



Note: Includes selling price of Housing Company within the sales quantity and composition

Progress with FY2012 Priority Measures

	Domestic Core Business	Global Strategic Business (F7* and other business)
Growth Strategy	<ul style="list-style-type: none"> -Launch full sales of solar homes with storage batteries (Housing) -Fortify sales capability by increasing the sales force (Housing) 	<ul style="list-style-type: none"> -Development of new ITO film products and increase of certified products (IT field) -Progress attracting orders in Eastern Europe via Rabmer (Pipeline renewal)
Strengthen Core Business	<ul style="list-style-type: none"> -Acquisition the Mitsubishi Plastics' piping materials operations (Water infrastructure field) -Continuing cost reductions from the production-sales integration (Housing) 	<ul style="list-style-type: none"> -Progress in structural reform of US medical-related businesses (Medical field) -Progress improving efficiency through unified management of US, Europe, Asia overseas businesses (UIEP)

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



Market and Business Risk

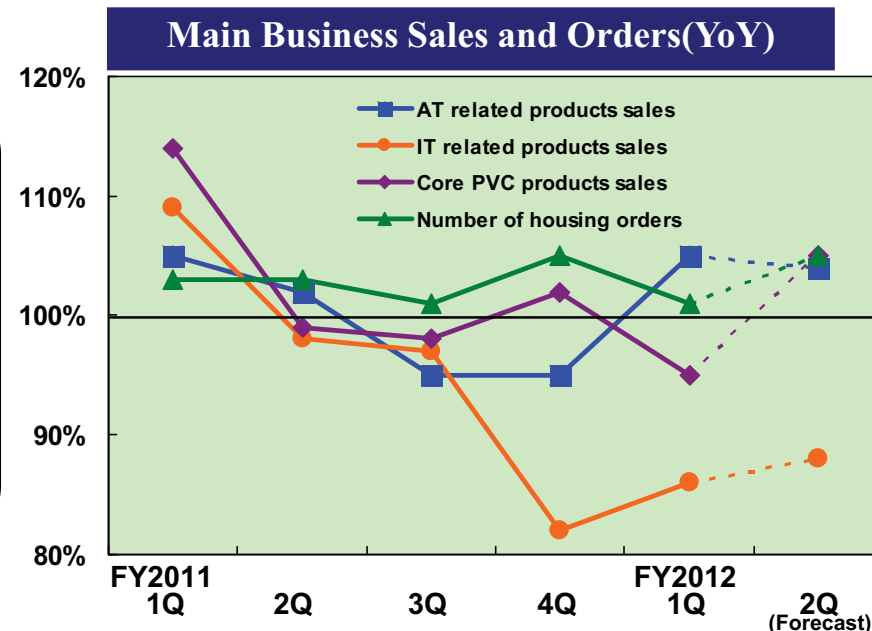
Market

- Japan:** Demand recovered to pre-quake levels. Slowdown concern from expiring government policies (housing purchase subsidies, etc.) but overall recovery should continue
- Europe:** Continuing stagnancy due to fiscal austerity and prolonged debt issues
- US:** Continuing gradual recovery on a backdrop of improving employment and strong business enterprise private sectors
- Asia and Developing countries:** Continued but generally slower growth

Business Risk

- Foreign Exchange:** Temporary fluctuations may occur but we anticipate rates staying roughly at current levels
- Raw materials and Housing materials:** Risk of price rises is receding as core material prices settle
- Other risk:** Risk of deteriorating global conditions as European debt problems deepen

Main Businesses Progress and Forecasts



	Business Field	Progress in 1Q	Forecast for the 2Q or later
Domestic Businesses	Housing Field	-1Q housing unit orders were slightly below target as consumer sentiment did not improve as much as expected due to the uncertain business outlook and other factors -Reform business progress as planned	-We expect the housing market environment to remain generally the same from 1Q to 2Q -We expect the impending tax rate increase to begin spurring latent demand centered on replacement construction
	Water Infrastructure Field	-1Q volume declined, partly due to demand backlash from last year's disaster reconstruction -Leading the PVC pipe industry restructuring and responding to the structural shrinking of demand	-Brisk demand starting in 2Q on increasing housing starts ahead of the tax rate hike -We expect reconstruction-related demand to be appearing in 2H or later
Global Businesses	Automobile Field	-Automotive-related sales volumes are recovering in North America and Japan, but demand is weak in Europe. Demand growth is gradually slowing in developing countries -Continued expanding sales of high-performance automotive products by responding to growing demand, mainly in North America and Japan	-1Q sluggish demand continued in Europe -Focus efforts on further expanding high performance product sales in North America and Japan
	IT & Electronics Material Field	-Demand for liquid-crystal related products has been at bottom since 2H FY2011 -Sales continue steadily growing for mobile device products	-Growing demand for mobile device components on boost from new product launch effect (new smartphones, Windows 8)
	Medical Field	-The diagnostic agents business is steadily progressing -Medical business (drugs, pharmacokinetics) progress has slowed slightly due to the business environment	-Continue growing the equipment business and develop synergies with Sekisui Diagnostics, in the US
	Pipeline Renewal Field	-The positive effects are appearing from reformed management structure in the US, and European orders are starting to grow from the Rabmer acquisition -In Japan, orders are progressing from last year's postponed project orders	-Overseas, we expect ongoing weak demand in Western Europe but aim to increase orders by unifying regional management -In Japan, focus on orders, including last year's carryover projects



Progress for 1H

Fortify strategic businesses and reform the profit structure

1Q Overview

IT : TV and PC demand remained sluggish as anticipated

Smartphone and tablet products surpassed 4Q FY2011

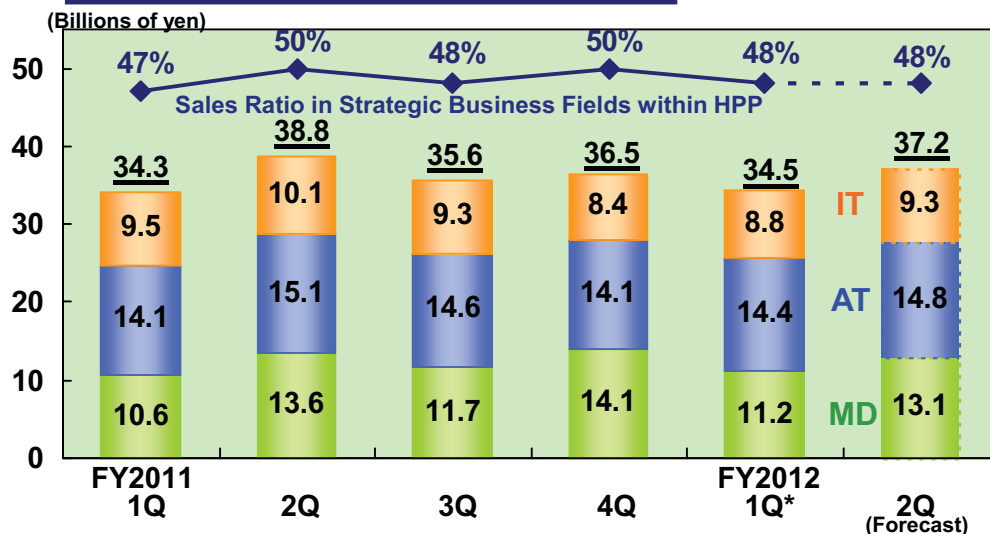
AT : Europe conditions remained stagnant as anticipated

Japan has held solid since 4Q FY2011, US improved over 4Q FY2011

MD : Integration in North America of Sekisui Diagnostics (SD) and ADI complete

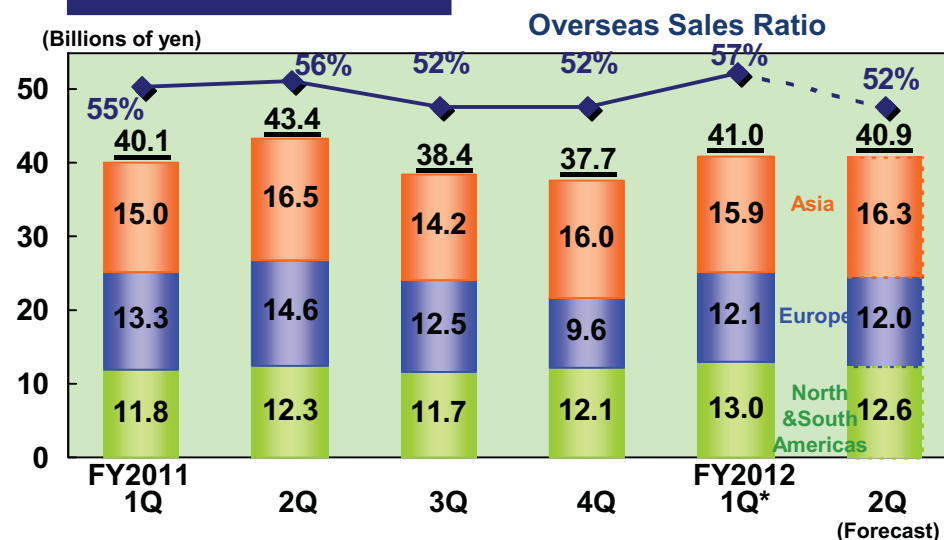
SD starts the equipment business and Sekisui Medical (SMD) begins product sales

Sales in Strategic Business Fields



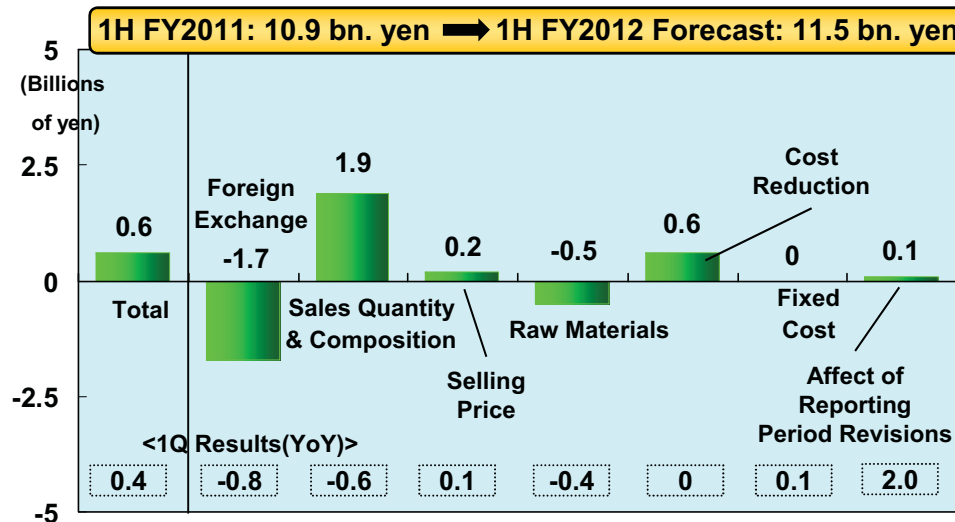
* Align consolidated subsidiary fiscal years to March end in FY2012. Exclude overseas January–March sales

Overseas Sales



* Align consolidated subsidiary fiscal years to March end in FY2012. Exclude overseas January–March sales

Analysis of Operating Income for the 1H of FY2012 Forecast (YoY)





Progress for 1H

1. Value chain business progress

Government demand: Accelerate value chain development highlighting our strengths in anti-seismic and extended life products (Agricultural supply and drainage, transport, energy, harbor)

Private demand: Full effort to develop kitchen/bath facilities aimed at expanding homebuilder share and attracting package orders from housing stock and other construction stock

2. Formulate strategies to achieve the medium-term business plan

Package proposals for urban infrastructure development in reconstruction regions

Structural reform in preparation for shrinking demand after the consumption tax hike

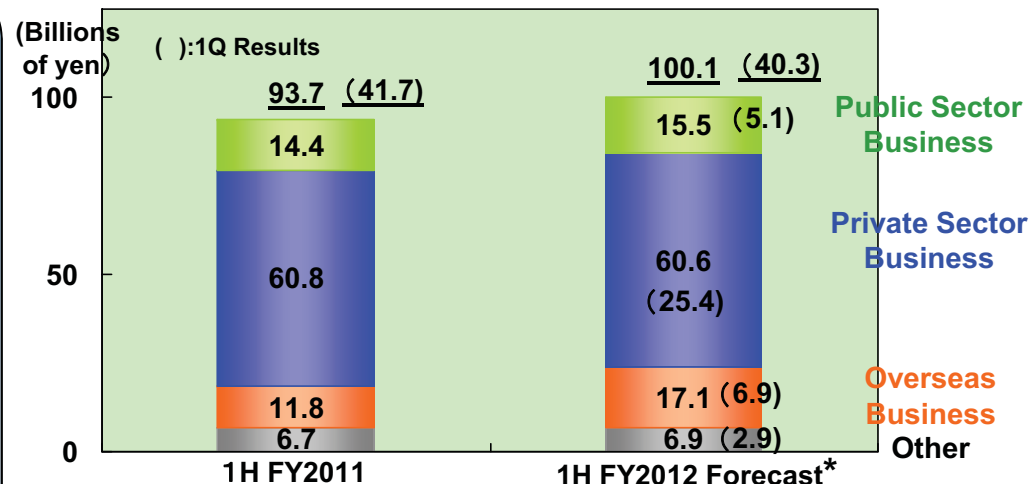
3. Strengthen overseas businesses

US: Implement the effects of unified management in the pipeline renewal businesses of consolidated subsidiaries

Europe: Expand Eastern European business by galvanizing the newly consolidated Rabmer

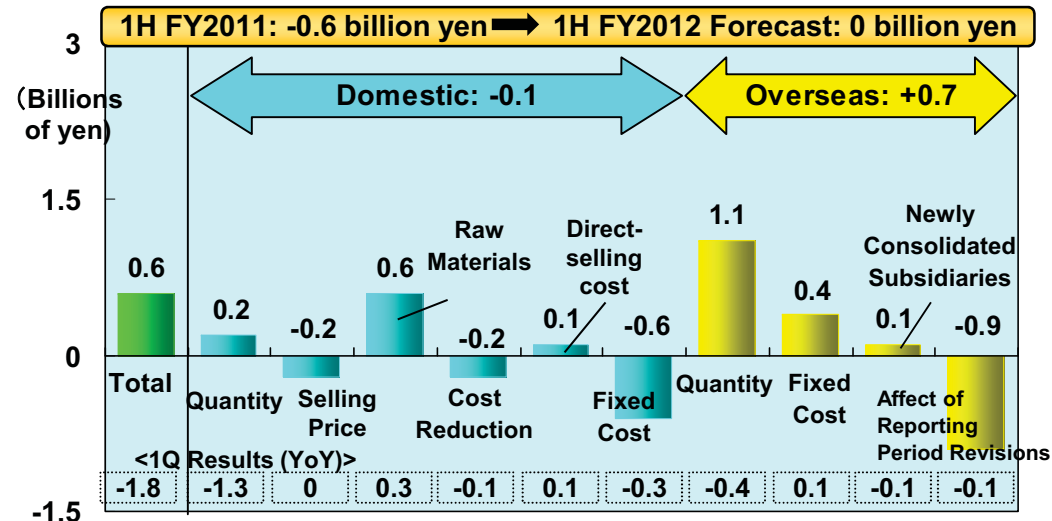
China: Strengthen the infrastructure construction value chain system

Net Sales by Business Domain



*Align consolidated subsidiary fiscal years to March end in FY2012. Exclude overseas January–March sales

Analysis of Operating Income for the 1H of FY2012 Forecast (YoY)



Progress for 1H

- 1Q housing orders fell slightly short of plan owing to less than expected demand activity. Living environment business sales progressed as planned on growing solar-related sales
- 1Q performance progressed as planned
The integrated production-sales structure enabled the production and sales leveling and cost reductions to progress as planned
- Progressed in formulating the structure for growth acceleration
 - Completed large-scale new product launches meeting market needs (Shin Smart Heim, New Parfait)
 - Progressed with staff increases to establish the optimal sales structure (300 in new construction, 80 in refurbishing)

Measures to Acquire Housing Orders in 2H

1H Housing Order Plan (Unit Basis)
1Q +1% (YoY), 2Q +5% (YoY), 1H +3% (YoY)

Market	1Q	Consumer sentiment did not improve as much as initially anticipated owing to the uncertain economic outlook
	2Q	Continuation of the 1Q market environment
Political Measures	1Q	With the decision on the consumption tax hike still undecided, potential homebuyers took a wait-and-see stance
	2Q	-We anticipate the surfacing of latent demand, centered on replacement construction, ahead of the consumption tax hike (with full-fledged demand to start in 2H) -Growing natural energy demand in conditions including electricity shortages and the start of fixed-price purchases

Becoming the leader in differentiation and smart houses

- Start nationwide sales of the Shin Smart Heim with built-in storage batteries
- Large capacity storage batteries, Smart Heim Navi, and large capacity solar power are standard features

Stimulate and capture replacement construction demand

- New Parfait core product aimed at the reconstruction segment (Launch in July 2012)

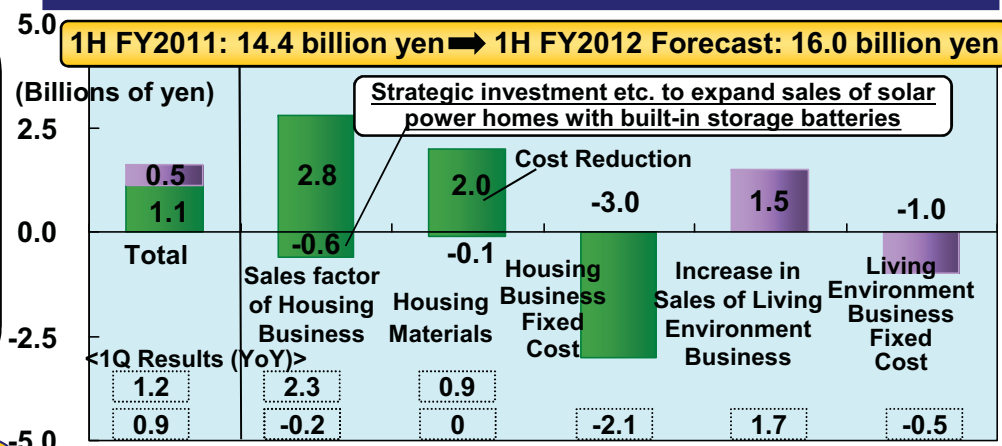
Hone our area-specific strategies

- Expand sales of the Shin Grand to You series with readily perceivable cost performance in areas of demand
- Expand sales of housing complexes with built-in large-capacity solar power. Propose "BIG Solar" timed to the start of the fixed-price electricity buyback program

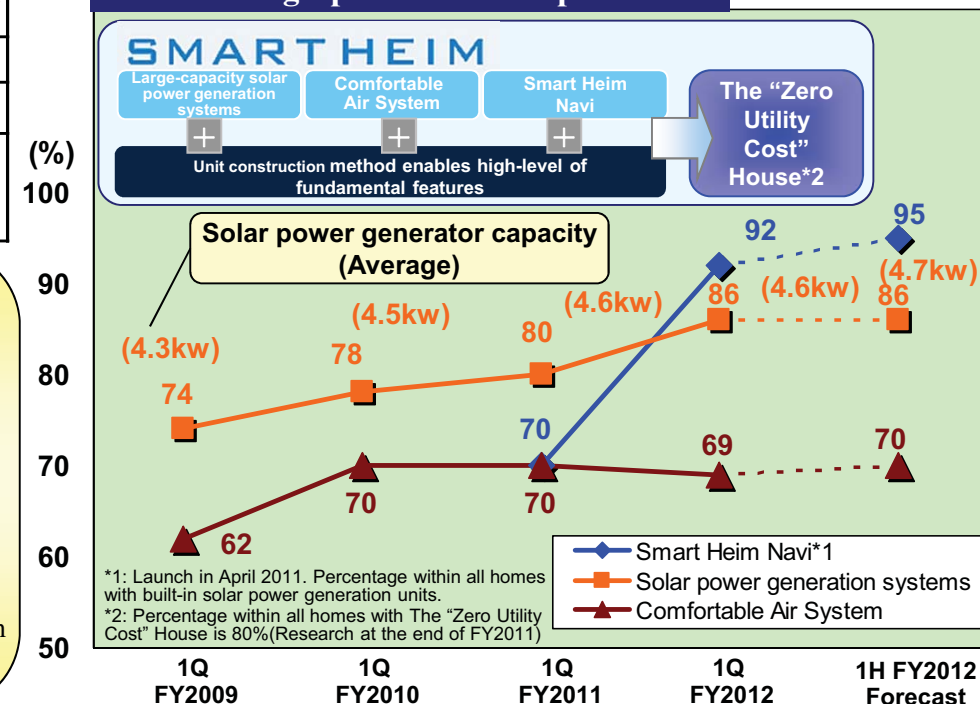
Living environment business strategy

- Continue expanding sales of solar and other mainstay products

Analysis of Operating Income for the 1H of FY2012 Forecast (YoY)



Sales Percentages of Homes with High-performance Options





Aim to increase presence of domestic core businesses by harnessing special demand ahead of the consumption tax hike and proactively responding disaster reconstruction demand

Pre-tax hike special demand

- Housing orders expected to start accelerating in 2H FY2012 and peak in 1H FY2013
- We anticipated a limited rise in housing orders beginning in 2H FY2012 and through FY2013
- We forecast increasing PVC pipe demand in line with rising new housing starts (centered on FY2013-14)

Disaster reconstruction-related demand

- Demand expected to start appearing in 2H FY2012 and reach full force beginning in FY2013
- Roughly ¥460 billion extraordinary treasury budget for water infrastructure reconstruction (including carry-over from the previous fiscal year)
- Housing demand in the Tohoku area expected to be 50% higher than FY2010

External environment (opportunities)

Short Term

- Increasing demand ahead of the consumption tax hike (Housing, particularly replacement demand)
- Increasing reconstruction-related demand in the Tohoku area (Housing, urban reconstruction)

Mid-and-Long Term

- Electricity crisis increases demand for natural energy
- Growing anti-seismic needs

Company (Strengths)

Housing

- In the Tohoku area, leverage the localization from the integrated production-sales to develop business and secure high market share
- The leader in solar home experience and expertise
- Specialized Unit Construction Method enables unmatched anti-seismic features and short construction periods

UIEP

- ESLON pipe brand strength and sales network (No. 2 in PVC pipe market share)
- Pipe lineup fulfilling anti-seismic needs
- Comprehensive lineup of kitchen/bath products (construction materials, housing equipment)





Financial Results
for the First Quarter of FY2012

Hideo Tagashira

Senior Managing Executive Officer

Responsible for Corporate Finance & Accounting Department



Number of Consolidated Companies

	June 30, 2012	March 31, 2012	Difference
Consolidated Subsidiaries	167	157	Rabmer (Pipeline renewal business in Eastern Europe) and other companies
Affiliates (Equity Method)	8	8	-

Influence of Change in the Number of Consolidated Companies

(Billions of yen)

Net Sales	+0.8	Rabmer* ¹ and other companies
Operating Income	-0.1	

*¹: Newly consolidated from the first quarter of FY2012

Impact from 6-month reporting for overseas subsidiaries*²

(Billions of yen)

Net Sales	+37.7	Overseas Subsidiaries Jan–Mar 2012 Results
Operating Income	+0.5	

*²: Six-month period from January to June 2012 for overseas subsidiaries (Consolidated subsidiary fiscal years will be revised to a March year end beginning in FY2012)



Summary of Profit and Loss

(Billions of yen)

	1Q of FY2012	1Q of FY2011	Difference
Net Sales	259.9	213.7	46.2 (7.7)* ¹
Gross Income of Sales	72.3	63.0	9.3
Gross Income Rate	27.8%	29.5%	-1.7%
Selling, Gen. and Admin. Expenses	66.5	57.4	9.1 (1.5)* ¹
Operating Income	5.7	5.6	0.2
Investment Loss by Equity Method	-0.2	-0.4	0.2
Other Non-operating Income and Expenses	-1.1	-0.5	-0.6
Recurring Income	4.4	4.7	-0.3
Extraordinary Income	-	-	-
Extraordinary Loss	1.3	1.9	-0.6
Income before Income Taxes	3.1	2.7	0.3
Corporate Income Tax etc.	1.0 * ²	3.1	-2.2
Income for Minority Shareholders	0.1	0.2	-0.1
Net Income	2.0	-0.6	2.6

*¹: Difference excluding the affect of newly consolidated and six-month (January-June 2012) fiscal terms for overseas subsidiaries

*²: Includes an approximate ¥2.3 billion decline in tax expenses due to the tax effect of unrealized gain accompanying the adoption of the consolidated tax system.



Consolidated Cash Flows

(Billions of yen)

	1Q of FY2012	1Q of FY2011
Operating Activities Cash Flows	4.8	8.4
Investing Activities Cash Flows	10.2* ¹	-33.4* ²
Financing Activities Cash Flows	-10.9	2.1
Net Increase (Decrease) in Cash and Cash Equivalents	4.2	-22.0
Cash and Cash Equivalents at the End of Term	49.5	44.3
Free Cash Flow =Operating Activities Cash Flows +Investing Activities Cash Flows -Dividends Paid	10.8	-29.3

*¹: Includes ¥17 billion for proceeds from withdrawal of time deposits

*²: Includes ¥30 billion for the acquisition cost of Genzyme's diagnostic agents business and Suzutora Corporation



Balance Sheets (Assets)

(Billions of yen)

	June 30, 2012	March 31, 2012	Difference
Cash and Deposits	62.6	75.4	-12.8
Account Receivable on Sales	141.9	156.9	-15.0
Inventories	137.0	132.6	4.4
Other Current Assets	36.6	35.4	1.2
Tangible Non-Current Assets	232.1	231.2	0.9
Intangible Non-Current Assets	51.5	51.9	-0.4
Investments in Securities	101.7	107.9	-6.3
Investments & Other Assets	37.9	35.8	2.2
Total Assets	801.4	827.1	-25.7

At fair value: -5.5

Foreign Exchange: +1.7



Balance Sheets (Liabilities & Net Assets)

(Billions of yen)

	June 30, 2012	March 31, 2012	Difference
Non-Interest-Bearing Liabilities	319.7	336.6	-16.9
Interest-Bearing Liabilities	121.8	127.2	-5.4
Total Liabilities	441.6	463.8	-22.2
Capital Stock etc.	209.2	209.3	-0.1
Retained Earning	185.8	192.9	-7.1
Treasury Stock	-12.3	-17.4	5.1
Unrealized Holding Loss on Securities	-11.0	-7.6	-3.4
Minority Shareholders' Interests	12.9	11.2	1.8
Other Net Assets	-24.9	-25.1	0.2
Total Net Assets	359.8	363.3	-3.5
Total Liabilities, Net Assets	801.4	827.1	-25.7

Net Income: +2.0
Dividends Paid: -4.1
Cancellation of Treasury Stock: -5.0



Depreciation and Capital Expenditures

(Billions of yen)

	FY2012* ¹		FY2011		Difference	
	1Q	Annual (Plan)	1Q	Annual	1Q	Annual
Depreciation	9.7* ²	37.0* ²	8.2	35.1	1.5	1.9
Capital Expenditures	12.1* ³	35.0* ³	6.8	33.1	5.3	1.9

*1: Due to reporting period revisions, FY2012 targets include 15-month (January 2012 to March 2013) contributions from overseas subsidiaries.

*2: The affect on the depreciation allowance from the fiscal year period change amounted to 2.0 billion yen.

*3: Enhance production capacity at the Thai housing plant and etc.



(Billions of yen)

	1H of FY2012 (Forecast) * ¹	1H of FY2011	Difference	Overseas Subsidiaries Jan–Mar 2012 Results* ¹
Net Sales	524.0	471.4	52.6	37.7
Operating Income	26.5	24.7	1.8	0.5
Recurring Income	25.5	25.2	0.3	
Net Income	15.0* ²	13.3	1.7	

*¹: Due to reporting period revisions, 1H FY2012 forecasts include 9 month (January 2012 to September 2012) contributions from overseas subsidiaries.

*²: Includes an approximate ¥2.3 billion decline in tax expenses due to the tax effect of unrealized gain accompanying the adoption of the consolidated tax system.



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.



Housing Company Results and Plan

1. Housing business Main Data

		FY2012		FY2011		
		1Q	1H (Forecast)	1Q	1H	2H
CONSOLIDATED	Net Sales (Billions of yen)	106.1	230.0	95.7	219.4	230.0
	Housing	73.3	164.0	67.7	156.6	165.7
	Houses	69.0	154.5	63.2	147.5	157.3
	Land	4.3	9.5	4.5	9.2	8.5
	Living environment	32.8	66.0	28.0	62.8	64.3
	Refurbishing	23.4	46.8	18.8	43.6	45.2
	Interior-Exterior	1.3	2.9	1.2	2.8	2.9
	Real estate	8.2	16.3	8.0	16.3	16.1
OTHERS	1. Number of houses sold (Housing units)	2,920	7,000	2,665	6,330	6,910
	Detached houses	2,420	5,300	2,215	5,180	5,310
	Heim	1,870	4,150	1,740	4,170	4,220
	Two-U	550	1,150	475	1,010	1,090
	Apartments	500	1,700	450	1,150	1,600
	2. Main data					
	Prices<Sales subsidiaries : Detached houses>/ Unit (Millions of yen)	29.9	-	29.8	29.3	30.1
	Prices<Sales subsidiaries : Detached houses>/ Tsubo (3.3 Square meter) (Thousands of yen)	768	-	768	759	773
	Floor space (Square meter)	128.4	-	128.1	127.3	128.5
	Exhibition places (Units)	418	418	391	390	404
	Sales staff (Number of person)	2,431	2,380	2,354	2,301	2,222
	Rebuilding ratio (%)	33%	34%	38%	36%	35%
	Referral sales ratio (%)	40%	40%	39%	39%	40%

* Rebuilding ratio and Referral sales ratio are based on time of orders received.

2. Housing orders

(Millions of yen)

	FY2012		FY2011			FY2010	
	1Q	1H (Forecast)	1Q	1H	2H	1H	2H
	Backlogs at beginning	187,800	-	171,800	-	189,100	148,600
Growth Rate	+9%	-	+16%	-	+14%	+9%	+18%
New Orders	93,807	220,375	91,287	211,197	204,093	200,766	194,377
Growth Rate	+3%	+4%	+5%	+5%	+5%	+11%	+3%
Sales of houses	93,607	204,175	83,187	193,897	205,393	183,366	188,577
Growth Rate	+13%	+5%	+14%	+6%	+9%	+4%	+4%
Balance at the end	188,000	204,000	179,900	189,100	187,800	166,000	171,800
Growth Rate	+5%	+8%	+10%	+14%	+9%	+18%	+16%

3. Housing starts

(in number of unit)

	FY2012		FY2011		
	1Q	1H (Forecast)	1Q	1H	2H
	Housing starts*	219,000	449,000	198,783	432,760
Privately-owned houses* (included in above) =A	77,000	165,000	74,082	162,412	304,822
Sales by our company	2,920	7,000	2,665	6,330	13,240
Detached house sales by our company=B	2,420	5,300	2,215	5,180	10,490
Our share in Detached houses=B/A	3.1%	3.2%	3.0%	3.2%	3.4%

*"The housing starts" and "Privately-owned houses" after 1Q of FY2012 are based on a forecast.

4. The ratio of the houses equipped with the high-performance specifications

	FY2012		FY2011		
	1Q	1H (Forecast)	1Q	1H	2H
	Solar power generation systems installed	86%	86%	80%	83%
Tiled exterior walls (Heim type JX)	69%	70%	59%	61%	66%
All-electric housing	90%	90%	89%	90%	89%
Comfortable Air System	69%	70%	70%	69%	73%