



November 9 , 2009

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Representative Director: Naofumi Negishi, President
Stock Listings: Tokyo Stock Exchange, Osaka
Securities Exchange
Code Number: 4204
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Sekisui acquires Non Cross-linked Poly-Olefin foam manufacturer located in Germany.

Sekisui Chemical Co.,Ltd (President, Mr. Naofumi Negishi, hereafter called in "Sekisui Chemical") decided to acquire Polymer-Tec G.m.b.H (hereafter called in "PMT") which is 100% owned by Polymer Chemie G.m.b.H, one of the biggest compound manufacturers, through Sekisui Alveo A.G. (hereafter called in Alveo, whose HQs is located in Luzern of Switzerland.) which is 100% subsidiary of Sekisui Chemical. After acquisition PMT will be managed as 100% subsidiary of Alveo.

Sekisui Chemical, High Performance Plastics Company (Company president, Mr. Takayoshi Matsunaga), is operating global business of Cross-linked Poly-Olefin foam which is used mainly for heat insulation, cushioning and so on.

In order to reinforce the foundation of foam business Sekisui Chemical has acquired PMT which is operating Non Cross-linked Poly-Olefin foam business. Sekisui Chemical believes that this M&A enables Sekisui Foam business to introduce newly-developed products by PMT's technology as well as PMT's existing products.

1. Background

Alveo is operating Cross-linked Poly-Olefin foam business as a member of Sekisui Chemical foam business unit, and has top market share of Cross-linked Poly-Olefin foam business in Europe. Sekisui came to the conclusion that it is indispensable to add Non Cross-linked Poly-Olefin foam business in product line in order not only to expand foam business but also to design new business model under the current market situation.

Among many Non Cross-linked Poly-Olefin foam companies Sekisui Chemical selected PMT which has unique and excellent technology and products.

2. What Sekisui Chemical would like to do by this M&A?

- 1) Adding Non Cross-linked Poly-Olefin foam products enables Alveo to enter the market which requires "Cleanness" such as packaging for food contact semi-conductor, medical material and so on.
- 2) Alveo can expand sales by their own sales channel and marketing know-how.
- 3) Alveo can cultivate new market by using PMT's existing technology.

3. The outline of PMT

- 1) Company name : Polymer-Tec G.m.b.H(The company name after M&A is not decided yet.)
 - 2) The contents of Business : manufacturing and Sales of Non Cross-linked Poly-Olefin foam
 - 3) Location : Haystrasse 7-13 D-55566 Bad Sobernheim, Germany
 - 4) Established in 1980.
 - 5) Capital : 64.000 Euro (about 9 million yen)
 - 6) Conclusion of M&A ; 31st of December, 2009 in European time.
 - 7) Employees : about 70 people
 - 8) Sales turnover : about 18 million euro (about 2.5 billion yen)
- *134 yen/euro as exchange rate

【 References 】

1. Glossary

1) Cross-linking

Binding molecular each other makes the material increase in strength.

2) Cross-linked Poly-Olefin foam

Foamed Product after making Poly-Olefin resin Cross-linking by irradiator or chemical reaction. Cross-linking adds the following functions such as heat resistance, high tear strength, weathering resistance and so on.

3) Non Cross-linked Poly-Olefin foam

High productivity compared with Cross-linked Poly-Olefin foam. Main application is for packaging, cushioning and so on.

2. Overseas operations of Poly-Olefin foam business in Sekisui Chemical

Company name	HQs' location	The contents of business
Sekisui Alveo AG	Luzern, Switzerland	manufacturing and Sales of irradiated and chemical Cross-linked Poly-Olefin foam
Sekisui Voltek LLC	Massachusetts, USA	
YoungBo Chemical	Cheongwon, Korea	
Sekisui Pilon Pty.Ltd	Sydney, Australia	
Thai Sekisui Foam Co.,Ltd	Chonburi, Thailand	
Shanghai Sekisui Holy	Shanghai, China	

3. The outline of Polymer Chemie G.m.b.H

- 1) The contents of business
 - 2) Established in 1973
 - 3) Sales turnover : 160 million euro (about 21.4 billion yen)
 - 4) Employees : about 500 people
- *134 yen/euro as exchange rate

For further inquiries, please contact:

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