

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2012 Ending March 31, 2013
<Under Japanese GAAP>

January 30, 2013

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: February 8, 2013
 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 Third Quarter of Fiscal 2012 (April 1, 2012 to December 31, 2012)

(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	%
FY2012 (First 9 months)	754,750	5.4	34,902	-5.2	35,852	-1.3	19,780	14.6
FY2011 (First 9 months)	716,086	5.5	36,807	10.5	36,332	13.4	17,257	16.8

Note. Comprehensive Income December 31, 2012: 40,788 million yen (559.8%), December 31 2011: 6,181 million yen (463.7%)

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
FY2012 (First 9 months)	38.38	38.36
FY2011 (First 9 months)	33.05	33.04

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
3Q of FY2012	838,721	396,519	45.6
FY2011	827,103	363,299	42.5

Note. Shareholders' Equity December 31, 2012: 382,460 million yen, March 31, 2012: 351,651 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
FY2011	-	7.00	-	8.00	15.00
FY2012	-	9.00	-	-	-
FY2012 (outlook)	-	-	-	9.00	18.00

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

3. Consolidated Outlook for FY 2012 (April 1, 2012 to March 31, 2013)

(% 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	1,030,000	6.7	62,000	13.5	60,000	10.8	28,500	1.4	55.28

Note: Revision of consolidated earnings estimates in the third quarter: No

Notes

(1) Significant change of subsidiary companies during the term (change of specified subsidiaries that affected the scope of consolidated reporting): No

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

Note: For further details please refer to “2. Application of special accounting methods for the preparation of quarterly consolidated financial statements” on page5 of the attached document “II. Items Concerning the Information in the Summary Report (Notes).”

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

a) Changes caused by revisions to accounting principles: Yes

b) Changes other than a): No

c) Amendments to accounting estimates: Yes

d) Restatements: No

Note: For further details please refer to “3. Changes to the accounting policy, changes or restatements of the accounting estimates” on page5 of the attached document “II. Items Concerning the Information in the Summary Report (Notes).”

(4) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock):	3rd Q of FY2012	532,507,285 shares
	FY2011	539,507,285 shares
b) Treasury stock at the end of term:	3rd Q of FY2012	16,942,222 shares
	FY2011	24,234,348 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	3rd Q of FY2012	515,400,347 shares
	3rd Q of FY2011	522,111,776 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 not changed from the forecasts announced on January 25, 2013.

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. Forward-looking statements in no capacity represent a guarantee that the Company will achieve the stated amounts. 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 “3. Consolidated Earnings Forecast” on page4 of I. Qualitative Information and Financial Review (Supplementary Material).

Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2012 Ending March 31, 2013
(Supplementary Material)

I. Qualitative Information and Financial Review

1. Consolidated Business Results

1) Overview of Conditions through the First Nine Month of Fiscal 2012

Please see the following attachment of materials from the Presentation Meeting on the Financial Results for the First Nine Month of FY2012.

URL <http://www.sekisuicheical.com/ir/pdf/20130130kge.pdf>

[The Presentation Meeting is scheduled to be held on January 30, 2013, at 3:30 p.m. Japan time]

2. Consolidated Financial Position

1) Financial Position (April 1, 2012, to December 31, 2012)

Total assets amounted to ¥838.7 billion at the end of the third quarter of fiscal 2012, representing an increase of ¥11.6 billion from the end of fiscal year 2011. The increase was the net sum of a ¥4.0 billion increase in current assets and a ¥7.5 billion increase in non-current assets.

Liabilities decreased ¥21.6 billion to ¥442.2 billion from the end of fiscal year 2011, mainly as a result of a decline in long-term debt.

Net assets increased ¥33.2 billion from the end of fiscal year 2011, to ¥396.5 billion. Equity after deducting minority interests from net assets amounted to ¥382.4 billion. The equity ratio was 45.6%.

2) Cash Flows (April 1, 2012, to December 31, 2012)

Net cash provided by operating activities amounted to ¥32.0 billion. Cash inflows included ¥32.0 billion in income before income taxes and minority interests, ¥26.0 billion in depreciation and amortization, a ¥13.4 billion decrease in notes and accounts receivable, and a ¥3.2 billion loss on impairment of fixed assets and goodwill. These exceeded cash outflows, which included ¥23.9 billion in income taxes paid and a ¥11.6 billion increase in inventories.

Net cash used in investing activities amounted to ¥1.2 billion. The decrease was primarily due to ¥21.9 billion utilized for purchases of property, plant, and equipment focused on priority and growth fields along with a ¥19.4 billion net increase in proceeds from withdrawal of time deposits.

Net cash used in financing activities amounted to ¥30.1 billion. The main elements in the decline were ¥9.2 billion in cash dividends paid and a ¥22.7 billion net decrease in interest-bearing debt.

The result of the above was cash and cash equivalents of ¥48.4 billion at the end of the third quarter of fiscal year 2012.

3. Consolidated Earnings Forecast

The consolidated results forecasts for the full fiscal year ending March 2013 have not changed from the revised forecasts announced in the Notice Regarding Appropriation of Extraordinary Loss and Revision of Business Forecast released on January 25, 2013.

II. Items Concerning the Information in the Summary Report (Notes)

1. Significant change of subsidiary companies during the term No

(Change in the fiscal year periods of consolidated subsidiaries)

The Company has previously utilized the financial statements of 73 consolidated subsidiaries overseas with fiscal years ending on December 31 and has made necessary adjustments to reflect significant transactions that occurred between the closing dates of the subsidiary fiscal years and the consolidated fiscal year.

Beginning with the first quarter of the current consolidated accounting period, the Company has changed the fiscal year ends of 57 consolidated subsidiaries to March 31 and adopted a method of provisional settlement of accounts using March 31 as a closing date for 15 consolidated subsidiaries.

Results for the three-month period from January to March 2012 for the overseas consolidated subsidiaries for which the reported first nine month results utilized the revised twelve-month period from January 1, 2012, to December 31, 2012, were net sales ¥37,716 million, operating income ¥529 million, ordinary income ¥170 million, income before income taxes and minority interests ¥144 million, and net loss ¥93 million.

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 nine month 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 half 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

(Changes in accounting policies rendered problematic by changes in accounting estimates and categorizations)

In accordance with revisions to the Corporate Tax Law, beginning with the first quarter of the current consolidated accounting period, the Company and its domestic consolidated subsidiaries have adopted the depreciation method for property, plant and equipment acquired on or after April 1, 2012, as stipulated in the revised Corporate Tax Law.

This change had an immaterial impact on the consolidated financial statements for the quarter.

III. Consolidated Financial Statement (Third Quarter, Fiscal Year 2012)

1. Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2011	End Third Quarter, Fiscal 2012
	As of March 31, 2012	As of December 31, 2012
(Assets)		
Current Assets		
Cash and deposits	75,422	59,345
Notes receivable, trade	40,797	42,414
Accounts receivable, trade	116,123	109,065
Marketable securities	21	1,515
Merchandise and finished goods	47,100	50,352
Land for sale	16,977	19,228
Work in process	44,156	49,207
Raw materials and supplies	24,343	29,009
Advance payments	1,909	1,636
Prepaid expenses	2,878	3,584
Deferred income taxes	14,396	17,813
Short-term loans receivable	347	784
Other current assets	17,374	22,399
Allowance for doubtful accounts	-1,527	-1,981
Total current assets	400,322	404,375
Non-current assets		
Property, plant and equipment, net		
Buildings & structures, net	83,601	83,833
Machinery, equipment and vehicles, net	61,796	63,055
Land	67,097	69,437
Leased assets, net	7,220	7,424
Construction in progress	6,871	7,503
Other, net	4,607	5,069
Total property, plant and equipment, net	231,194	236,323
Intangible fixed assets		
Goodwill	26,711	23,303
Software	4,764	5,242
Leased assets	228	298
Other	20,188	21,258
Total intangible assets	51,893	50,102
Investments and other assets		
Investments in securities	107,925	116,354
Long-term loans receivable	833	717
Long-term prepaid expenses	1,433	1,422
Deferred income taxes	22,670	18,771
Other	11,813	11,999
Allowance for doubtful accounts	-982	-1,345
Total investments and other assets	143,693	147,919
Total non-current assets	426,780	434,345
Total assets	827,103	838,721

(Millions of Yen)

	End Fiscal Year 2011	End Third Quarter, Fiscal 2012
	As of March 31, 2012	As of December 31, 2012
(Liabilities)		
Current liabilities		
Notes payable, trade	6,777	7,375
Electronically recorded obligations	3,540	4,689
Accounts payable, trade	121,028	118,026
Short-term debt and current portion of long-term debt	40,636	35,361
Lease obligation	3,019	2,934
Accrued expenses	28,083	28,842
Accrued income taxes and other taxes	15,282	6,343
Deferred income taxes	163	334
Allowance for bonuses to employees	14,887	9,163
Allowance for bonuses to directors and corporate auditors	233	—
Provision for compensation for completed constructions	1,223	1,183
Advances received	47,555	50,123
Other	41,587	44,579
Total current liabilities	324,017	308,957
Long-term liabilities		
Bonds	20,000	20,000
Long-term debt less current portion	59,083	50,248
Lease obligation	4,449	4,812
Deferred income taxes	3,916	4,468
Accrued retirement benefits	46,909	48,089
Other	5,426	5,625
Total long-term liabilities	139,786	133,243
Total liabilities	463,803	442,201
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,288	109,234
Retained earnings	192,856	198,873
Treasury stock	-17,352	-12,094
Total shareholders' equity	384,795	396,015
Accumulated other comprehensive income (loss):		
Unrealized holding gain (loss) on securities	-7,556	30
Deferred hedge gain (loss)	-16	62
Unrealized gain on land revaluation	260	260
Translation adjustments	-25,830	-13,908
Total accumulated other comprehensive loss	-33,143	-13,554
Stock acquisition rights	474	358
Minority interests	11,173	13,700
Total net assets	363,299	396,519
Total liabilities, net assets	827,103	838,721

2. Consolidated Statements of Income and Statement of Comprehensive Income
 (Consolidated Statements of Income)
 (First 9 months, Fiscal Year 2012)

	(Millions of Yen)	
	First 9 Months, Fiscal 2011 (From April 1, 2011 to December 31, 2011)	First 9 Months, Fiscal 2012 (From April 1, 2012 to December 31, 2012)
Net sales	716,086	754,750
Cost of sales	503,953	535,825
Gross profit	212,132	218,924
Selling, general & administrative expenses	175,324	184,022
Operating Income	36,807	34,902
Non-operating income		
Interest income	504	673
Dividend income	1,772	2,059
Equity in earnings of affiliates	913	492
Foreign exchange gain, net	—	1,903
Miscellaneous income	4,285	3,068
Total non-operating income	7,475	8,197
Non-operating expenses		
Interest expenses	1,840	1,994
Sales discounts	246	247
Foreign exchange loss, net	1,745	—
Miscellaneous expenses	4,119	5,004
Total non-operating expenses	7,951	7,246
Ordinary income	36,332	35,852
Extraordinary income		
Gain on sales of property, plant and equipment	—	1,815
Total extraordinary income	—	1,815
Extraordinary loss		
Loss on impairment of fixed assets and goodwill	2,187	3,280
Loss on devaluation of investments in securities	—	1,564
Loss on sales or disposal of property, plant and equipment	812	802
Total extraordinary loss	2,999	5,647
Income before income taxes and minority interests	33,332	32,020
Income taxes	15,556	11,580
Income before minority interests	17,775	20,440
Minority interests	518	659
Net income	17,257	19,780

(Consolidated Statements of Income)
(Third Quarter, Fiscal Year 2012)

	(Millions of Yen)	
	Third Quarter, Fiscal 2011 (From October 1, 2011 to December 31, 2011)	Third Quarter, Fiscal 2012 (From October 1, 2012 to December 31, 2012)
Net sales	244,679	238,749
Cost of sales	172,560	168,036
Gross profit	72,118	70,712
Selling, general & administrative expenses	60,013	60,831
Operating Income	12,104	9,881
Non-operating income		
Interest income	178	214
Dividend income	164	174
Equity in earnings of affiliates	338	175
Foreign exchange gain, net	150	3,254
Miscellaneous income	719	1,126
Total non-operating income	1,551	4,945
Non-operating expenses		
Interest expenses	541	551
Sales discounts	87	84
Miscellaneous expenses	1,856	878
Total non-operating expenses	2,485	1,514
Ordinary income	11,171	13,312
Extraordinary loss		
Loss on impairment of fixed assets and goodwill	—	675
Loss on sales or disposal of property, plant and equipment	265	276
Total extraordinary loss	265	952
Income before income taxes and minority interests	10,906	12,359
Income taxes	6,902	5,185
Income before minority interests	4,003	7,173
Minority interests	44	203
Net income	3,958	6,970

(Consolidated Statement of Comprehensive Income)
(First 9 months, Fiscal Year 2012)

(Millions of Yen)

	First 9 Months, Fiscal 2011 (From April 1, 2011 to December 31, 2011)	First 9 Months, Fiscal 2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	17,775	20,440
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	-6,415	7,528
Deferred gain on hedges	11	79
Translation adjustments	-5,233	12,691
Comprehensive income of affiliates accounted for by the equity method attributable to the Company	42	50
Total other comprehensive income (loss)	-11,594	20,348
Comprehensive income	6,181	40,788
Comprehensive income attributable to:		
Shareholders of the Company	6,339	39,368
Minority shareholders	-158	1,420

3. Consolidated Statements of Cash Flows

	First 9 Months, Fiscal 2011 (From April 1, 2011 to December 31, 2011)	First 9 Months, Fiscal 2012 (From April 1, 2012 to December 31, 2012)
Operating activities		
Income before income taxes and minority interests	33,332	32,020
Depreciation and amortization	25,779	26,012
Amortization of goodwill	2,546	2,456
Loss on impairment of fixed assets and goodwill	2,187	3,280
Loss on disposal of property, plant and equipment	681	730
Gain on sales of property, plant and equipment	-244	-1,743
Loss on devaluation of investments in securities	237	1,564
Decrease in allowance for bonus	-5,666	-5,860
Increase (decrease) in accrued retirement benefits	-225	820
Interest and dividends income	-2,276	-2,732
Interest expenses	2,086	2,242
Equity in earnings of affiliates	-913	-492
Decrease in notes and accounts receivable	2,972	13,447
Increase in inventories	-14,300	-11,697
Decrease (increase) in notes and accounts payable	4,592	-7,487
Increase in advances received	1,024	2,764
Other	3,623	-186
Subtotal	<u>55,437</u>	<u>55,137</u>
Interest and dividends received	2,699	3,134
Interest paid	-2,093	-2,336
Income taxes paid	-13,097	-23,903
Net cash provided by operating activities	<u>42,946</u>	<u>32,033</u>
Investing activities		
Purchases of property, plant and equipment	-18,086	-21,901
Proceeds from sales of property, plant and equipment	2,673	4,312
Payments into time deposits	-27,146	-17,910
Proceeds from withdrawal of time deposits	24,506	37,364
Purchases of investments in securities	-1,104	-223
Proceeds from sales or redemption of investments in securities	2,854	102
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	-14,703	—
Acquisition of securities in subsidiaries	-228	—
Acquisition of businesses	-16,034	-448
Purchase of intangible assets	-1,454	-1,766
Increase (decrease) in short-term loans receivable	84	-261
Other	-164	-534
Net cash used in investing activities	<u>-48,804</u>	<u>-1,267</u>
Financing activities		
Decrease in short-term debt, net	-5,418	-9,101
Repayments of lease obligations	-2,656	-2,592
Proceeds from long-term debt	10,053	3,096
Repayment of long-term debt	-19,834	-14,109
Proceeds from issuance of bonds	10,000	—
Payment for redemption of bonds	-500	—
Proceeds from stock issuance to minority shareholders	1,302	1,506
Cash dividends paid	-7,841	-8,777
Cash dividends paid to minority shareholders of consolidated subsidiaries	-422	-436
Other	533	298
Net cash used in financing activities	<u>-14,784</u>	<u>-30,116</u>
Effect of exchange rate changes on cash and cash equivalents	-925	2,446
Net increase (decrease) in cash and cash equivalents	<u>-21,567</u>	<u>3,096</u>
Cash and cash equivalents at beginning of term	65,944	45,146
Increase in cash and cash equivalents from newly consolidated subsidiary	325	182
Cash and cash equivalents at end of term	<u>44,703</u>	<u>48,425</u>

4. Notes regarding the premise of a going concern
No significant changes during the term under review.

5. Significant Change in Shareholder Equity
No significant change during the term under review.

6. Segment Information

1) Consolidated First 9 Months, Fiscal 2012 (April 1, 2012 to December 31, 2012)

(i) 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		
Net sales:						
To third parties	341,817	138,958	247,603	728,378	26,371	754,750
Intersegment	98	10,468	4,622	15,189	2,477	17,666
Total	341,915	149,426	252,225	743,568	28,849	772,417
Operating income (loss)	22,820	-2,853	16,777	36,745	-1,667	35,077

Note1: 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.

Note: As stated in II. Items Concerning the Information in the Summary Report (Notes), the Company has previously utilized the financial statements of 73 consolidated subsidiaries overseas with fiscal years ending on December 31 and has made necessary adjustments to reflect significant transactions that occurred between the closing dates of the subsidiary fiscal years and the consolidated fiscal year. Beginning with the present consolidated accounting period, the Company has changed the fiscal year ends of 57 consolidated subsidiaries to March 31 and adopted a method of provisional settlement of accounts using March 31 as a closing date for 15 consolidated subsidiaries.

Attendant with the change in fiscal year end at the aforementioned consolidated overseas subsidiaries, the third quarter cumulative consolidated income statement consolidated their results for the twelve-month period from January 1 to December 31, 2012. Results for the three-month period from January to March 2012 for these overseas consolidated subsidiaries were UIEP Company ¥4,886 million, HPP Company ¥32,689 million, Other Businesses by ¥169 million, while segment income (loss) for the UIEP Company amounted to a ¥699 million loss, HPP Company a ¥1,288 million income, and Other Businesses a ¥2 million loss.

- (ii) 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	36,745
Other Business loss	-1,667
Inter-segment elimination total	466
Corporate expenses (Note)	-641
Total operating income reported in the quarterly consolidated statements of income	34,902

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

- (iii) Regional Information

Net sales

	Japan	U.S.	Europe	Asia	Others	Total
Net sales (millions of yen)	571,739	58,362	49,642	66,724	8,282	754,750

Note: As stated in II. Items Concerning the Information in the Summary Report (Notes), the Company has previously utilized the financial statements of 73 consolidated subsidiaries overseas with fiscal years ending on December 31 and has made necessary adjustments to reflect significant transactions that occurred between the closing dates of the subsidiary fiscal years and the consolidated fiscal year. Beginning with the present consolidated accounting period, the Company has changed the fiscal year ends of 57 consolidated subsidiaries to March 31 and adopted a method of provisional settlement of accounts using March 31 as a closing date for 15 consolidated subsidiaries.

Attendant with the change in fiscal year end at the aforementioned consolidated overseas subsidiaries, the third quarter cumulative consolidated income statement consolidated their results for the twelve-month period from January 1 to December 31, 2012. Results by region for the three-month period from January to March 2012 for these overseas consolidated subsidiaries were United States ¥13,132 million, Europe ¥11,850 million, Asia ¥10,802 million, and Other by ¥1,931 million.

2) Consolidated Third Quarter, Fiscal 2012 (October 1, 2012 to December 31, 2012)

(i) 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		
Net sales:						
To third parties	110,106	46,478	72,959	229,544	9,204	238,749
Intersegment	49	3,046	1,594	4,690	646	5,337
Total	110,156	49,525	74,553	234,234	9,851	244,086
Operating income (loss)	5,982	-879	5,608	10,711	-811	9,899

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.

(ii) 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	10,711
Other Business loss	-811
Inter-segment elimination total	149
Corporate expenses (Note)	-168
Total operating income reported in the quarterly consolidated statements of income	9,881

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

(iii) Regional Information

Net sales	Japan	U.S.	Europe	Asia	Others	Total
Net sales (millions of yen)	190,565	14,564	12,177	19,395	2,045	238,749