

Summary of Consolidated Financial Results for the First Quarter of Fiscal Year 2013 Ending March 31, 2014
<Under Japanese GAAP>

July 30, 2013

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange
 Code Number: 4204
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 Scheduled date for submission of quarterly financial statement: August 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 First Quarter (April 1, 2013 to June 30, 2013)

(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 FY2013	242,522	-6.7	10,041	74.8	12,574	185.6	6,857	239.9
1st Q of FY2012	259,878	21.6	5,744	3.0	4,402	-5.4	2,017	-

Note. Comprehensive Income: June 30, 2013: 20,951 million yen (-%), June 30, 2012: -959 million yen (-%)

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
1st Q of FY2013	13.27	13.23
1st Q of FY2012	3.91	3.91

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
1st Q of FY2013	918,277	450,225	47.4
FY2012	901,564	433,228	46.4

Note. Shareholders' Equity: June 30, 2013: 434,869million yen, March 31, 2013: 418,582 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
FY2012	-	9.00	-	9.00	18.00
FY2013	-				
FY2013 (outlook)		10.00	-	10.00	20.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY 2013 (April 1, 2013 to March 31, 2014)

(% 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	528,000	2.3	33,000	31.9	34,500	53.1	18,000	40.5	34.82
Full Year	1,078,000	4.4	74,000	24.1	70,000	15.4	35,000	16.0	67.70

Note. Recent revision of consolidated earnings estimates: Yes

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 page 4 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: No

b) Changes other than a): No

c) Amendments to accounting estimates: No

d) Restatements: No

(4) Number of shares outstanding (common stock)

a) Number of shares outstanding at the end of term (including treasury stock):	1st Q of FY2013	532,507,285 shares
	FY2012	532,507,285 shares
b) Treasury stock at the end of term:	1st Q of FY2013	15,525,497 shares
	FY2012	16,223,314 shares
c) Average outstanding shares in the period (quarterly consolidated cumulative total):	1st Q of FY2013	516,639,424 shares
	1st Q of FY2012	515,299,499 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. This report presents revisions to the consolidated earnings forecasts for the first half announced by the Company on April 26, 2013. This report does not contain revisions to the forecasts for the full fiscal year.
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 page 4 of the Quarterly Financial Report (Supplementary Material).

(Supplementary Material)

I. Qualitative Information and Financial Review

1. Consolidated Business Results

Please see the following attachment of materials from presentation of Financial Results for the First Quarter of FY2013.

<http://www.sekisuichemical.com/ir/pdf/20130730kge.pdf>

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

2. Consolidated Financial Position

1) Financial Position (April 1, 2013, to June 30, 2013)

Total assets amounted to ¥918.2 billion at the end of the first quarter of fiscal year 2013, representing an increase of ¥16.7 billion from the end of fiscal year 2012. The increase was the net sum of increase of ¥5.6 billion in current assets and ¥11.0 billion in non-current assets.

Liabilities amounted to ¥468.0 billion, a decrease of ¥0.2 billion from the end of the fiscal year 2012.

Net assets amounted to ¥450.2 billion, an increase of ¥16.9 billion from the end of fiscal year 2012. Equity after deducting minority interests from net assets amounted to ¥434.8 billion. The shareholders' equity ratio was 47.4%.

2) Cash Flows (April 1, 2013, to June 30, 2013)

Net cash provided by operating activities amounted to ¥8.1 billion. Cash inflows included ¥12.3 billion in income before income taxes and minority interests, ¥7.8 billion in depreciation and amortization, and a ¥9.3 billion decrease in notes and accounts receivable. These exceeded cash outflows, which included a ¥10.8 billion decrease in notes and accounts payable and a ¥9.0 billion increase in inventories.

Net cash used in investing activities amounted to ¥10.6 billion. The decrease was primarily due to active investment activities, including ¥6.8 billion for purchases of property, plant, and equipment focused on priority and growth fields.

Net cash used in financing activities amounted to ¥9.0 billion. The main elements in the decline were ¥5.5 billion in cash dividends paid and a ¥4.2 billion net decrease in interest-bearing debt.

The result of the above was cash and cash equivalents of ¥50.8 billion at the end of the first quarter of fiscal year 2013.

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for the First Quarter of Fiscal Year 2013 Ending March 31, 2014

3. Consolidated Earnings Forecast and Forward-looking Statements

The Company has revised the consolidated earnings forecasts for the first half of fiscal year 2013 as shown below from the figures announced on April 26, 2013. The revision reflects the weaker yen than initially anticipated and the High Performance Plastics Company's better-than-projected earnings, which is also due to the weaker yen.

(Millions of yen)

	Present forecast	Previous forecast
Net sales	528,000	520,000
Operating income	33,000	31,500
Recurring income	34,500	30,500
Net income	18,000	15,000
Net income per share (yen)	34.82	29.05

The Company has not changed its forecasts for the full fiscal year.

II. Items Concerning the Information in the Summary Report (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 accounting methods for the preparation of quarterly consolidated financial statements:

Estimated tax expenses

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. Consolidated Financial Statement (First Quarter, Fiscal Year 2013)

(1) Consolidated Balance Sheets

First Quarter, Fiscal Year 2013

(Millions of Yen)

	End Fiscal Year 2012	End First Quarter, Fiscal 2013
	As of March 31, 2013	As of June 30, 2013
(Assets)		
Current Assets		
Cash and deposits	91,132	86,359
Notes receivable, trade	42,183	45,571
Accounts receivable, trade	129,901	120,056
Marketable securities	1	0
Merchandise and finished goods	47,825	53,237
Land for sale	19,334	19,534
Work in process	43,036	46,683
Raw materials and supplies	29,829	31,286
Advance payments	2,354	1,648
Prepaid expenses	2,525	3,037
Deferred income taxes	15,370	17,157
Short-term loans receivable	527	488
Other current assets	17,850	22,753
Allowance for doubtful accounts	-1,907	-2,227
Total current assets	439,964	445,587
Non-current assets		
Property, plant and equipment, net		
Buildings & structures, net	84,226	84,708
Machinery, equipment and vehicles, net	63,736	67,213
Land	69,810	70,109
Leased assets, net	7,775	8,884
Construction in progress	10,288	10,063
Other, net	4,816	5,277
Total property, plant and equipment, net	240,654	246,256
Intangible assets		
Goodwill	21,123	20,469
Software	5,129	5,337
Leased assets	278	256
Other	22,566	22,719
Total intangible assets	49,098	48,783
Investments and other assets		
Investments in securities	146,192	156,688
Long-term loans receivable	710	647
Long-term prepaid expenses	1,276	1,374
Deferred income taxes	12,732	7,854
Other	12,283	12,447
Allowance for doubtful accounts	-1,346	-1,363
Total investments and other assets	171,848	177,650
Total non-current assets	461,600	472,689
Total assets	901,564	918,277

(Millions of Yen)

	End Fiscal Year 2012	End First Quarter, Fiscal 2013
	As of March 31, 2013	As of June 30, 2013
(Liabilities)		
Current liabilities		
Notes payable, trade	7,797	8,002
Electronically recorded obligations	4,963	5,264
Accounts payable, trade	125,403	119,573
Short-term debt and current portion of long-term debt	47,590	56,358
Lease obligations	2,953	3,037
Accrued expenses	29,977	28,099
Accrued income taxes and other taxes	6,747	6,499
Deferred income taxes	225	252
Allowance for bonuses to employees	15,410	13,289
Allowance for bonuses to directors and corporate auditors	207	—
Provision for compensation for completed constructions	1,223	1,193
Advances received	49,123	53,596
Other	43,915	49,687
Total current liabilities	335,539	344,855
Long-term liabilities		
Bonds	20,000	20,000
Long-term debt less current portion	39,650	28,998
Lease obligations	5,126	6,094
Deferred income taxes	5,104	5,759
Accrued retirement benefits	57,274	56,958
Other	5,640	5,386
Total long-term liabilities	132,797	123,196
Total liabilities	468,336	468,052
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,234	109,274
Retained earnings	209,280	211,622
Treasury stock	-11,577	-11,078
Total shareholders' equity	406,939	409,820
Accumulated other comprehensive income (loss):		
Unrealized holding gain on securities	17,778	25,790
Deferred gain on hedges	47	24
Unrealized gain on land revaluation	260	260
Translation adjustments	-6,443	-1,026
Total accumulated other comprehensive income	11,642	25,049
Stock acquisition rights	306	253
Minority interests	14,339	15,101
Total net assets	433,228	450,225
Total liabilities, net assets	901,564	918,277

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

Consolidated Statements of Income

First Quarter, Fiscal Year 2013

	(Millions of Yen)	
	First Quarter, Fiscal 2012 (From April 1, 2012 to June 30, 2012)	First Quarter, Fiscal 2013 (From April 1, 2013 to June 30, 2013)
Net sales	259,878	242,522
Cost of sales	187,609	170,730
Gross profit	72,269	71,792
Selling, general & administrative expenses	66,525	61,750
Operating Income	5,744	10,041
Non-operating income		
Interest income	186	222
Dividend income	977	1,424
Equity in earnings of affiliates	—	248
Foreign exchange gain, net	—	1,318
Miscellaneous income	1,487	937
Total non-operating income	2,652	4,151
Non-operating expenses		
Interest expenses	848	556
Sales discounts	81	82
Equity in losses of affiliates	217	—
Foreign exchange loss, net	686	—
Miscellaneous expenses	2,160	980
Total non-operating expenses	3,993	1,619
Ordinary income	4,402	12,574
Extraordinary loss		
Loss on impairment of fixed assets and goodwill	1,115	—
Loss on sales or disposal of property, plant and equipment	226	227
Total extraordinary loss	1,341	227
Income before income taxes and minority interests	3,061	12,346
Income taxes	976	5,202
Income before minority interests	2,084	7,143
Minority interests	67	286
Net income	2,017	6,857

Consolidated Statement of Comprehensive Income
First Quarter, Fiscal Year 2013

	(Millions of Yen)	
	First Quarter, Fiscal 2012 (From April 1, 2012 to June 30, 2012)	First Quarter, Fiscal 2013 (From April 1, 2013 to June 30, 2013)
Income before minority interests	2,084	7,143
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	-3,343	7,838
Deferred loss on hedges	-3	-22
Translation adjustments	390	5,819
Comprehensive income (loss) of affiliates accounted for by the equity method attributable to the Company	-87	172
Total other comprehensive income (loss)	-3,044	13,807
Comprehensive income (loss)	-959	20,951
Comprehensive income (loss) attributable to:		
Shareholders of the Company	-1,196	20,264
Minority shareholders	237	687

(3) Consolidated Statements of Cash Flows

First Quarter, Fiscal Year 2013

(Millions of Yen)

	First Quarter, Fiscal 2012 (From April. 1, 2012 to June. 30, 2012)	First Quarter, Fiscal 2013 (From April. 1, 2013 to June. 30, 2013)
Operating activities		
Income before income taxes and minority interests	3,061	12,346
Depreciation and amortization	9,672	7,887
Amortization of goodwill	1,034	744
Loss on impairment of fixed assets and goodwill	1,115	—
Loss on disposal of property, plant and equipment	209	176
Decrease in reserve for bonuses	-2,903	-2,193
Decrease (increase) in accrued retirement benefits	318	-496
Interest and dividends income	-1,164	-1,647
Interest expenses	929	639
Equity in earnings of affiliates	217	-248
Decrease in notes and accounts receivable	15,854	9,325
Increase in inventories	-3,659	-9,044
Decrease in notes and accounts payable	-9,912	-10,881
Decrease in consumption tax payable	-836	-759
Increase in advances received	1,028	4,407
Other	4,369	2,271
Subtotal	19,333	12,530
Interest and dividends received	1,431	1,904
Interest paid	-939	-621
Income taxes paid	-15,067	-5,621
Net cash provided by operating activities	4,757	8,191
Investing activities		
Purchases of property, plant and equipment	-8,693	-6,885
Proceeds from sales of property, plant and equipment	2,404	42
Payments into time deposits	-55	-21,001
Proceeds from withdrawal of time deposits	17,218	18,056
Purchases of investments in securities	-154	-553
Proceeds from sales or redemption of investments in securities	56	93
Purchases of intangible assets	-618	-439
Decrease (increase) in short-term loans receivable	-90	234
Other	150	-232
Net cash used in (provided by) investing activities	10,218	-10,685
Financing activities		
Increase (decrease) in short-term debt, net	-308	1,075
Repayments of lease obligations	-913	-837
Proceeds from long-term debt	54	1,570
Repayment of long-term debt	-7,049	-6,098
Proceeds from stock issuance to minority shareholders	1,506	389
Cash dividends paid	-4,129	-4,651
Cash dividends paid to minority shareholders of consolidated subsidiaries	-12	-944
Other	-68	496
Net cash used in financing activities	-10,920	-9,000
Effect of exchange rate changes on cash and cash equivalents	99	1,219
Net decrease (increase) in cash and cash equivalents	4,154	-10,275
Cash and cash equivalents at beginning of term	45,146	58,631
Increase in cash and cash equivalents from newly consolidated subsidiary	184	2,543
Cash and cash equivalents at end of term	49,486	50,899

(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
Consolidated First Quarter, Fiscal 2013 (April 1, 2013 to June 30, 2013)

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	109,074	43,247	81,986	234,308	8,214	242,522
(2) Intersegment	21	2,979	1,434	4,435	864	5,299
Total	109,095	46,226	83,421	238,743	9,079	247,822
Operating income (loss)	5,703	-2,531	7,644	10,815	-707	10,108

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	10,815
Other Business income (loss)	-707
Inter-segment elimination total	256
Corporate expenses (Note)	-323
Total operating income reported in the quarterly consolidated statements of income	10,041

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

3. Regional Information

Net sales

	Japan	U.S.	Europe	Asia	Others	Total
Net sales (millions of yen)	179,765	18,716	16,543	24,932	2,565	242,522