

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

October 30, 2013

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange
 Code Number: 4204
 URL: <http://www.sekisuichemical.com>
 Representative Director: Mr. Naofumi Negishi, President
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 Scheduled date for submission of quarterly financial statement: November 13, 2013
 Scheduled date for payment of dividends: December 2, 2013
 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, 2013 to September 30, 2013)

(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 FY2013 | 533,056 | 3.3 | 37,518 | 49.9 | 38,989 | 73.0 | 22,826 | 78.2 |
| 1st H of FY2012 | 516,001 | 9.5 | 25,021 | 1.3 | 22,540 | -10.4 | 12,809 | -3.7 |

Note. Comprehensive Income: September 30, 2013: 33,444 million yen (175.9%), September 30, 2012: 12,121 million yen (-19.1%)

| | Net Income per Share | Net Income per Share (Diluted) |
|-----------------|----------------------|--------------------------------|
| | yen | yen |
| 1st H of FY2013 | 44.16 | 44.05 |
| 1st H of FY2012 | 24.86 | 24.84 |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio |
|-----------------|-----------------|-----------------|----------------------------|
| | Millions of yen | Millions of yen | % |
| 1st H of FY2013 | 951,719 | 462,492 | 47.0 |
| FY2012 | 901,564 | 433,228 | 46.4 |

Note: Shareholders' Equity: September 30, 2013: 447,061 million 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 | - | 11.00 | - | - | - |
| FY2013 (outlook) | - | - | - | 11.00 | 22.00 |

Note: Revision of dividend estimates in the second quarter: Yes

3. Consolidated Outlook for FY2013 (April 1, 2013 to March 31, 2014)

(% 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 | 1,100,000 | 6.5 | 81,000 | 35.9 | 79,000 | 30.2 | 42,000 | 39.2 | 81.20 |

Note: Revision of consolidated earnings estimates in the second quarter: 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 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: 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): | 2nd Q of FY2013 | 532,507,285 shares |
| | FY2012 | 539,507,285 shares |
| b) Treasury stock at the end of term: | 2nd Q of FY2013 | 15,280,942 shares |
| | FY2012 | 16,223,314 shares |
| c) Average outstanding shares in the period (quarterly consolidated cumulative total): | 2nd Q of FY2013 | 516,889,846 shares |
| | 2nd Q of FY2012 | 515,356,134 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 changed from the forecasts announced on April 26, 2013.
2. This report contains revised dividend distribution amounts from those announced on April 26, 2013, for the first half and fiscal year end (projected).
3. 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. Information Concerning the Consolidated Earnings Forecast and Forward-looking Statements” and “4. Revision to the Dividend Projection” on page4 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 Second Quarter of FY2013.

<http://www.sekisuichemical.com/ir/pdf/20131030kge.pdf>

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

2. Consolidated Financial Position

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

Total assets amounted to ¥951.7 billion at the end of the first half of fiscal 2013, representing an increase of ¥50.1 billion from the end of fiscal year 2012. The increase was the net sum of a ¥42.2 billion increase in current assets and a ¥7.9 billion increase in non-current assets.

Liabilities increased ¥20.8 billion to ¥489.2 billion from the end of fiscal year 2012, mainly due to increases in advances received and accrued income taxes.

Net assets increased ¥29.2 billion from the end of fiscal year 2012, to ¥462.4 billion. Equity after deducting minority interests from net assets amounted to ¥447.0 billion. The equity ratio was 47.0%.

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

Net cash provided by operating activities amounted to ¥59.3 billion. Cash inflows included ¥37.8 billion in income before income taxes and minority interests, ¥16.2 billion in depreciation and amortization, a ¥12.1 billion increase in advances received, and a ¥10.0 billion decrease in notes and accounts receivable. These exceeded cash outflows, which included an ¥8.2 billion increase in inventories and ¥6.2 billion in income taxes paid.

Net cash used in investing activities amounted to ¥46.7 billion. The decrease was primarily due to ¥14.4 billion utilized for purchases of property, plant, and equipment focused on priority and growth fields and a ¥30.9 billion net increase in time deposits.

Net cash used in financing activities amounted to ¥11.9 billion. The main elements in the decline were ¥5.9 billion in cash dividends paid and a ¥7.1 billion net decrease in interest-bearing debt.

The result of the above was cash and cash equivalents of ¥63.1 billion at the end of the first half of fiscal year 2013.

3. Information Concerning the Consolidated Earnings Forecast and Forward-looking Statements

The Company has revised the consolidated earnings forecasts for the full fiscal year 2013 as shown below from the figures announced on April 26, 2013. The revision reflects the weaker yen than initially anticipated and better-than-projected earnings, resulting from strong demand, for the Housing Company and High Performance Plastics Company.

| | Current forecast | Previous forecast (announced April 26, 2013) |
|------------------------------------|------------------|---|
| Net Sales (Millions of yen) | 1,100,000 | 1,078,000 |
| Operating Income (Millions of yen) | 81,000 | 74,000 |
| Ordinary Income (Millions of yen) | 79,000 | 70,000 |
| Net Income (Millions of yen) | 42,000 | 35,000 |
| Net Income per Share (Yen) | 81.20 | 67.79 |

4. Revision to the Dividend Projection

Increasing corporate value and actively returning profit to its shareholders are fundamental management objectives at Sekisui Chemical. The Company's objective for shareholder return is to maintain a stable dividend level with a target consolidated-basis dividend payout ratio of 30%.

In line with this policy, the Company has revised its projected dividend payments as shown below for the current term to reflect the first half performance results and the revised performance forecasts for the full fiscal year.

| | Dividend Per Share (Yen) | | | | |
|--|--------------------------|--------------|--------------|-----------------------|-------|
| | End of 1Q | End of 2Q | End of 3Q | End of Fiscal Year | Total |
| Previous Forecast (Announced April 26, 2013) | — | 10.00 | — | 10.00 | 20.00 |
| Revised Forecast | — | — | — | 11.00 | 22.00 |
| Results | — | 11.00 | — | — | — |
| Previous Year Dividends (Fiscal Year ended March 2013) | — | 9.00 | — | 9.00 | 18.00 |

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 half 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.

III. Consolidated Financial Statement (Second Quarter, Fiscal Year 2013)

1. Consolidated Balance Sheets

| (Millions of Yen) | | |
|--|------------------------|------------------------------------|
| | End Fiscal Year 2012 | End Second Quarter, Fiscal 2013 |
| | (As of March 31, 2013) | (As of September 30, 2013) |
| (Assets) | | |
| Current Assets | | |
| Cash and deposits | 91,132 | 126,648 |
| Notes receivable, trade | 42,183 | 34,276 |
| Accounts receivable, trade | 129,901 | 131,123 |
| Marketable securities | 1 | 0 |
| Merchandise and finished goods | 47,825 | 51,608 |
| Land for sale | 19,334 | 19,880 |
| Work in process | 43,036 | 48,163 |
| Raw materials and supplies | 29,829 | 30,525 |
| Advance payments | 2,354 | 1,217 |
| Prepaid expenses | 2,525 | 3,367 |
| Deferred income taxes | 15,370 | 17,501 |
| Short-term loans receivable | 527 | 518 |
| Other current assets | 17,850 | 19,479 |
| Allowance for doubtful accounts | -1,907 | -2,141 |
| Total current assets | 439,964 | 482,171 |
| Non-current assets | | |
| Property, plant and equipment, net | | |
| Buildings & structures, net | 84,226 | 85,179 |
| Machinery, equipment and vehicles, net | 63,736 | 67,690 |
| Land | 69,810 | 69,868 |
| Leased assets, net | 7,775 | 9,049 |
| Construction in progress | 10,288 | 11,331 |
| Other, net | 4,816 | 5,494 |
| Total property, plant and equipment, net | 240,654 | 248,613 |
| Intangible assets | | |
| Goodwill | 21,123 | 19,603 |
| Software | 5,129 | 5,179 |
| Leased assets | 278 | 277 |
| Other | 22,566 | 22,599 |
| Total intangible assets | 49,098 | 47,659 |
| Investments and other assets | | |
| Investments in securities | 146,192 | 149,270 |
| Long-term loans receivable | 710 | 826 |
| Long-term prepaid expenses | 1,276 | 1,215 |
| Deferred income taxes | 12,732 | 10,718 |
| Other | 12,283 | 12,103 |
| Allowance for doubtful accounts | -1,346 | -858 |
| Total investments and other assets | 171,848 | 173,275 |
| Total non-current assets | 461,600 | 469,548 |
| Total assets | 901,564 | 951,719 |

(Millions of Yen)

| | End Fiscal Year 2012 | End Second Quarter, Fiscal 2013 |
|---|------------------------|------------------------------------|
| | (As of March 31, 2013) | (As of September 30, 2013) |
| (Liabilities) | | |
| Current liabilities | | |
| Notes payable, trade | 7,797 | 7,144 |
| Electronically recorded obligations | 4,963 | 5,610 |
| Accounts payable, trade | 125,403 | 124,047 |
| Short-term debt and current portion of long-term debt | 47,590 | 53,737 |
| Bonds redeemable within one year | — | 10,000 |
| Lease obligations | 2,953 | 2,970 |
| Accrued expenses | 29,977 | 30,447 |
| Accrued income taxes and other taxes | 6,747 | 15,496 |
| Deferred income taxes | 225 | 277 |
| Allowance for bonuses to employees | 15,410 | 16,132 |
| Allowance for bonuses to directors and corporate auditors | 207 | — |
| Provision for compensation for completed constructions | 1,223 | 1,125 |
| Advances received | 49,123 | 61,374 |
| Other | 43,915 | 47,167 |
| Total current liabilities | 335,539 | 375,531 |
| Long-term liabilities | | |
| Bonds | 20,000 | 10,000 |
| Long-term debt less current portion | 39,650 | 30,185 |
| Lease obligations | 5,126 | 6,385 |
| Deferred income taxes | 5,104 | 5,750 |
| Accrued retirement benefits | 57,274 | 55,815 |
| Other | 5,640 | 5,558 |
| Total long-term liabilities | 132,797 | 113,695 |
| Total liabilities | 468,336 | 489,227 |
| (Net assets) | | |
| Shareholders' equity | | |
| Common stock | 100,002 | 100,002 |
| Capital surplus | 109,234 | 109,287 |
| Retained earnings | 209,280 | 227,585 |
| Treasury stock | -11,577 | -10,903 |
| Total shareholders' equity | 406,939 | 425,971 |
| Accumulated other comprehensive income (loss): | | |
| Unrealized holding gain on securities | 17,778 | 20,791 |
| Deferred loss (gain) on hedges | 47 | -4 |
| Unrealized gain on land revaluation | 260 | 260 |
| Translation adjustments | -6,443 | 41 |
| Total accumulated other comprehensive income | 11,642 | 21,089 |
| Stock acquisition rights | 306 | 230 |
| Minority interests | 14,339 | 15,200 |
| Total net assets | 433,228 | 462,492 |
| Total liabilities, net assets | 901,564 | 951,719 |

2. Consolidated Statements of Income and Statement of Comprehensive Income
(Consolidated Statements of Income)
(First Half, Fiscal Year 2013)

| | (Millions of Yen) | |
|---|--|--|
| | First Half, Fiscal 2012 (From April 1, 2012 to September 30, 2012) | First Half, Fiscal 2013 (From April 1, 2013 to September 30, 2013) |
| Net sales | 516,001 | 533,056 |
| Cost of sales | 367,789 | 372,265 |
| Gross profit | 148,211 | 160,790 |
| Selling, general & administrative expenses | 123,190 | 123,272 |
| Operating Income | 25,021 | 37,518 |
| Non-operating income | | |
| Interest income | 459 | 475 |
| Dividend income | 1,884 | 2,910 |
| Equity in earnings of affiliates | 317 | 803 |
| Foreign exchange gain, net | — | 801 |
| Miscellaneous income | 1,941 | 1,626 |
| Total non-operating income | 4,602 | 6,618 |
| Non-operating expenses | | |
| Interest expenses | 1,443 | 1,144 |
| Sales discounts | 162 | 163 |
| Foreign exchange loss, net | 1,350 | — |
| Miscellaneous expenses | 4,126 | 3,838 |
| Total non-operating expenses | 7,082 | 5,146 |
| Ordinary income | 22,540 | 38,989 |
| 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 | 2,604 | 652 |
| Loss on devaluation of investments in securities | 1,564 | — |
| Loss on sales or disposal of property, plant and equipment | 525 | 476 |
| Total extraordinary loss | 4,695 | 1,128 |
| Income before income taxes and minority interests | 19,660 | 37,861 |
| Income taxes | 6,394 | 14,404 |
| Income before minority interests | 13,266 | 23,457 |
| Minority interests | 456 | 630 |
| Net income | 12,809 | 22,826 |

(Consolidated Statement of Comprehensive Income)
(First Half, Fiscal Year 2013)

| | (Millions of Yen) | |
|--|--|--|
| | First Half, Fiscal 2012 (From April 1, 2012 to September 30, 2012) | First Half, Fiscal 2013 (From April 1, 2013 to September 30, 2013) |
| Income before minority interests | 13,266 | 23,457 |
| Other comprehensive income (loss) | | |
| Unrealized holding gain (loss) on securities | -1,512 | 2,687 |
| Deferred loss (gain) on hedges | 8 | -52 |
| Translation adjustments | 366 | 7,024 |
| Comprehensive income (loss) of affiliates accounted for by the equity method attributable to the Company | -6 | 327 |
| Total other comprehensive income (loss) | -1,144 | 9,987 |
| Comprehensive income | 12,121 | 33,444 |
| Comprehensive income attributable to: | | |
| Shareholders of the Company | 11,629 | 32,273 |
| Minority shareholders | 492 | 1,170 |

3. Consolidated Statements of Cash Flows
(First Half, Fiscal Year 2013)

| | (Millions of Yen) | |
|---|--|--|
| | First Half, Fiscal 2012 (From April 1, 2012 to September 30, 2012) | First Half, Fiscal 2013 (From April 1, 2013 to September 30, 2013) |
| Operating activities | | |
| Income before income taxes and minority interests | 19,660 | 37,861 |
| Depreciation and amortization | 17,590 | 16,248 |
| Amortization of goodwill | 1,699 | 1,485 |
| Loss on impairment of fixed assets and goodwill | 2,604 | 652 |
| Loss on disposal of property, plant and equipment | 506 | 426 |
| Loss (gain) on sales of property, plant and equipment | -1,795 | 49 |
| Loss on devaluation of investment in securities | 1,564 | — |
| Decrease (increase) in accrued retirement benefits | 146 | -1,634 |
| Interest and dividends income | -2,343 | -3,386 |
| Interest expenses | 1,605 | 1,308 |
| Equity in earnings of affiliates | -317 | -803 |
| Decrease in notes and accounts receivable | 13,020 | 10,029 |
| Increase in inventories | -1,904 | -8,205 |
| Decrease in notes and accounts payable | -3,441 | -4,686 |
| Increase in advances received | 771 | 12,185 |
| Other | -1,740 | -447 |
| Subtotal | 47,627 | 61,084 |
| Interest and dividends received | 2,610 | 3,597 |
| Interest paid | -1,712 | -1,296 |
| Income taxes refund | — | 2,195 |
| Income taxes paid | -14,173 | -6,217 |
| Net cash provided by operating activities | 34,351 | 59,363 |
| Investing activities | | |
| Purchases of property, plant and equipment | -16,236 | -14,480 |
| Proceeds from sales of property, plant and equipment | 4,061 | 204 |
| Payments into time deposits | -17,685 | -49,104 |
| Proceeds from withdrawal of time deposits | 20,356 | 18,157 |
| Purchases of investments in securities | -220 | -557 |
| Proceeds from sales or redemption of investments in securities | 73 | 120 |
| Purchases of intangible assets | -1,415 | -916 |
| Increase in short-term loans receivable | -32 | -47 |
| Other | -255 | -141 |
| Net cash used in (provided by) investing activities | -11,354 | -46,764 |
| Financing activities | | |
| Increase (decrease) in short-term debt, net | -3,963 | 1,015 |
| Repayments of lease obligations | -1,757 | -1,699 |
| Proceeds from long-term debt | 2,895 | 4,075 |
| Repayment of long-term debt | -10,405 | -10,558 |
| 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 | -431 | -1,327 |
| Other | 207 | 762 |
| Net cash used in financing activities | -16,077 | -11,994 |
| Effect of exchange rate changes on cash and cash equivalents | -103 | 1,407 |
| Net increase in cash and cash equivalents | 6,816 | 2,011 |
| Cash and cash equivalents at beginning of term | 45,146 | 58,631 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | 182 | 2,543 |
| Cash and cash equivalents at end of term | 52,145 | 63,186 |

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 Half, Fiscal 2013 (April 1, 2013 to September 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 | 243,879 | 103,079 | 168,493 | 515,452 | 17,604 | 533,056 |
| (2)Intersegment | 57 | 6,709 | 3,303 | 10,070 | 2,296 | 12,367 |
| Total | 243,936 | 109,789 | 171,797 | 525,523 | 19,900 | 545,423 |
| Operating income (loss) | 20,290 | 978 | 16,837 | 38,106 | -614 | 37,492 |

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 | 38,106 |
| Other Business income (loss) | -614 |
| Inter-segment elimination total | 611 |
| Corporate expenses (Note) | -585 |
| Total 1Q-2Q operating income reported in the quarterly consolidated statements of income | 37,518 |

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) | 404,236 | 38,656 | 33,448 | 51,329 | 5,385 | 533,056 |