Summary of Consolidated Financial Results for the Third Quarter of Fiscal Year 2017 Ending March 31, 2018
<Under Japanese GAAP>

January 30, 2018

Company Name:	Sekisui Chemical Co., Ltd.
Stock Listings:	Tokyo Stock Exchange
Code Number:	4204
URL	http://www.sekisuichemical.com
Representative Director:	Mr. Teiji Koge, President
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Scheduled date for submission of quarterly financial statement:	February 8, 2018
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 (April 1, 2017 to December 31, 2017)

(1) Consolidated Business Results (% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017 (First 9 months)	791,616	3.3	62,416	1.5	64,280	0.9	44,298	11.0
FY2016 (First 9 months)	766,224	-4.2	61,514	11.0	63,723	17.2	39,915	-1.3

Note. Comprehensive Income: December 31, 2017: 68,853 million yen (65.6%), December 31, 2016: 41,586 million yen (2.5%)

	Net Income Attributable to Owners of the Parent per Share	Net Income Attributable to Owners of the Parent per Share (Diluted)
	yen	yen
FY2017 (First 9 months)	93.27	93.10
FY2016 (First 9 months)	82.51	82.40

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of yen	Millions of yen	%
3Q of FY2017	1,040,248	611,271	56.3
FY2016	943,640	570,549	58.2

Note. Shareholders' Equity: December 31, 2017: 585,385 million yen, March 31, 2017: 549,344 million yen

2. Dividend Status

	Dividend per Share				
(Date of Record)	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
FY2016	-	16.00	-	19.00	35.00
FY2017	-	19.00	-		
FY2017 (outlook)				19.00	38.00

Note. Recent revision of dividend estimates: No

3. Consolidated Outlook for FY2017 (April 1, 2017 to March 31, 2018)

(% change from the previous year)

	Net Sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent		Net income Attributable to Owners of the Parent per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full Year	1,114,000	4.5	102,000	5.7	101,000	10.4	67,000	10.1	141.65

Note. Recent revision of consolidated earnings estimates: 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 "(4) Items Concerning the Information in the quarterly Consolidated Financial Statements (Notes)" on page 11 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):	3rd Q of FY2017	500,507,285 shares
		FY2016	510,507,285 shares
b)	Treasury stock at the end of term:	3rd Q of FY2017	27,497,389 shares
		FY2016	31,948,436 shares
c)	Average outstanding shares in the period (quarterly consolidated cumulative total):	3rd Q of FY2017	474,945,265 shares
		3rd Q of FY2016	483,767,726 shares

Note: The Financial Instruments and Exchange Law does not require this brief announcement of the most recent financial statements to be subject to audit review.

Remarks on appropriate use of forecasted results of operation and other special matters

1. This report has not changed the consolidated forecasts for the full-year announced on October 30, 2017.

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. Revision to the consolidated results forecast and other forward-looking information" 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 third Quarter of FY2017.
http://www.sekisuichemical.com/ir/pdf/20180130kce.pdf
[The Presentation Meeting is scheduled to be held on January 30, 2018, at 3:30 p.m. Japan time]

2. Consolidated Financial Position

1) Financial Position (April 1, 2017 to December 31, 2017)

Total assets stood at ¥1,040.2 billion as of December 31, 2017, an increase of ¥96.6 billion compared with the end of the previous fiscal year. This increase was mainly due to the upswing in both current assets and non-current assets of ¥44.3 billion and ¥52.2 billion, respectively.

Liabilities amounted to ¥428.9 billion, an increase of ¥55.8 billion compared with the previous fiscal year-end.

Net assets came to ¥611.2 billion, up ¥40.7 billion compared with the end of the previous fiscal year. Equity after deducting non-controlling interest from net assets amounted to ¥585.3 billion. The shareholders' equity ratio was 56.3%.

2) Cash Flows (April 1, 2017 to December 31, 2017)

Net cash provided by operating activities amounted to ¥39.0 billion. Major cash inflows included such items as income before income taxes of ¥65.5 billion, depreciation and amortization of ¥26.8 billion and an increase in advances received of ¥14.4 billion, which exceeded principal cash outflows including an increase in inventories of ¥26.2 billion, income taxes paid of ¥20.3 billion, a decrease in notes and accounts payable of ¥10.1 billion and a decrease in the allowance for bonuses to employees of ¥7.5 billion.

Net cash used in investing activities came to ¥43.2 billion. While Sekisui Chemical reported such cash inflows as a net decrease in time deposits of ¥19.1 billion, this was more than offset by major cash outflows including purchases of property, plant and equipment of ¥33.9 billion focusing mainly on priority and growth fields, payments for the acquisition of management rights to Polymatech Japan Co., Ltd. Group (current Sekisui Polymatech Co., Ltd. Group), a company that manufactures and sells electronics parts for automobiles and mobile devices, and payments for the acquisition and inclusion in the Group's scope of consolidation as a subsidiary of SoflanWiz Co., Ltd. (current Sekisui SoflanWiz Co., Ltd.), a company that manufactures and sells rigid polyurethane stock solution and rigid polyurethane thermal insulation panels mainly for the construction industry.

Net cash provided by financing activities amounted to ¥5.5 billion. Major cash outflows included cash dividends paid of ¥18.9 billion and the purchase of treasury stock of ¥13.2 billion. The principal cash inflow was a net increase in interest-bearing debt of ¥36.7 billion.

Accounting for each of the aforementioned activities, cash and cash equivalents as of December 31, 2017 stood at ¥94.1.

3. Revision to the consolidated results forecast and other forward-looking information

Sekisui Chemical has not changed its consolidated results forecast for the full fiscal year ending March 31, 2018 identified in its Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year 2017 Ending March 31, 2018 previously announced on October 30, 2017.

3. Consolidated Financial Statement (Third Quarter, Fiscal Year 2017)

(1)Consolidated Balance Sheets

(Millions of Yen)

	End Fiscal Year 2016 (As of March 31, 2017)	End Third Quarter, Fiscal 2017 (As of December 31, 2017)
(Assets)		
Current assets		
Cash and deposits	109,891	95,607
Notes receivable, trade	32,960	45,369
Accounts receivable, trade	131,111	131,735
Marketable securities	1	1
Merchandise and finished goods	56,619	63,204
Land for sale	30,879	31,142
Work in process	38,349	60,171
Raw materials and supplies	27,704	31,314
Advance payments	1,687	1,215
Prepaid expenses	3,388	4,790
Deferred tax assets	13,870	15,634
Short-term loans receivable	5,128	5,646
Other current assets	15,688	26,652
Allowance for doubtful accounts	-1,179	-2,042
Total current assets	466,101	510,442
Non-current assets		
Property, plant and equipment, net		
Buildings & structures	88,882	93,937
Machinery, equipment and vehicles	73,615	79,154
Land	70,426	71,909
Leased assets	10,126	10,193
Construction in progress	9,388	12,197
Other	9,323	10,497
Total property, plant and equipment, net	261,765	277,890
Intangible assets		
Goodwill	14,627	21,921
Software	8,167	8,281
Leased assets	216	201
Other	16,579	22,731
Total intangible assets	39,591	53,134
Investments and other assets		
Investments in securities	156,916	180,350
Long-term loans receivable	1,789	1,111
Long-term prepaid expenses	1,211	1,217
Asset for retirement benefits	179	18
Deferred tax assets	4,840	3,727
Other	13,058	13,739
Allowance for doubtful accounts	-1,815	-1,385
Total investments and other assets	176,181	198,780
Total non-current assets	477,538	529,805
Total assets	943,640	1,040,248

(Millions of Yen)

	End Fiscal Year 2016 (As of March 31, 2017)	End Third Quarter, Fiscal 2017 (As of December 31, 2017)
(Liabilities)		
Current liabilities		
Notes payable, trade	4,320	5,416
Electronically recorded obligations	22,116	26,236
Accounts payable, trade	93,684	93,601
Short-term debt and current portion of long-term debt	13,274	36,027
Commercial paper	-	19,000
Current portion of bonds	16	16
Lease obligations	3,413	3,413
Accrued expenses	39,115	37,505
Accrued income taxes and other taxes	12,361	14,298
Allowance for bonuses to employees	16,740	9,429
Allowance for bonuses to directors and audit & supervisory board members	308	-
Provision for compensation for completed constructions	1,222	1,203
Provision for stock-based compensation	133	103
Advances received	41,623	56,140
Other	41,750	40,670
Total current liabilities	290,081	343,064
Long-term liabilities		
Bonds	10,052	10,044
Long-term debt less current portion	9,991	8,379
Lease obligations	6,985	6,934
Deferred tax liabilities	3,364	8,523
Liability for retirement benefits	47,069	46,071
Provision for stock-based compensation	135	243
Other	5,410	5,715
Total long-term liabilities	83,009	85,912
Total liabilities	373,090	428,976
(Net assets)		
Shareholders' equity		
Common stock	100,002	100,002
Capital surplus	109,192	109,198
Retained earnings	341,009	355,005
Treasury stock, at cost	-40,969	-39,976
Total shareholders' equity	509,234	524,230
Accumulated other comprehensive income:		
Unrealized holding gain on securities	39,463	51,758
Deferred loss on hedges	-52	-45
Unrealized gain on land revaluation	321	321
Translation adjustments	941	10,803
Retirement benefit adjustments	-565	-1,683
Total accumulated other comprehensive income	40,109	61,154
Stock acquisition rights	418	302
Non-controlling interests	20,787	25,584
Total net assets	570,549	611,271
Total liabilities and net assets	943,640	1,040,248

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

Consolidated Statements of Income

First 9 months, Fiscal Year 2017

(Millions of Yen)

	First 9 Months, Fiscal 2016 (From April 1, 2016 to December 31, 2016)	First 9 Months, Fiscal 2017 (From April 1, 2017 to December 31, 2017)
Net sales	766,224	791,616
Cost of sales	512,325	533,376
Gross profit	253,899	258,240
Selling, general & administrative expenses	192,384	195,824
Operating Income	61,514	62,416
Non-operating income		
Interest income	560	698
Dividend income	3,813	3,936
Equity in earnings of affiliates	1,694	1,310
Foreign exchange gain, net	806	158
Miscellaneous income	2,833	3,154
Total non-operating income	9,708	9,258
Non-operating expenses		
Interest expenses	443	404
Sales discounts	293	312
Miscellaneous expenses	6,763	6,677
Total non-operating expenses	7,500	7,393
Ordinary income	63,723	64,280
Extraordinary income		
Gain on sales of investments in securities	6,875	-
Gain on sales of property, plant and equipment	-	2,469
Total extraordinary income	6,875	2,469
Extraordinary loss		
Loss on impairment of fixed assets	820	284
Loss on devaluation of investments in securities	4,460	-
Loss on transfer of business	2,240	-
Provision for loss on transfer of business	2,136	-
Loss on sales or disposal of property, plant and equipment	1,376	894
Total extraordinary loss	11,034	1,178
Income before income taxes	59,564	65,572
Income taxes	18,239	18,511
Net Income	41,325	47,060
Net Income Attributable to:		
Non-controlling interests	1,409	2,761

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

Consolidated Statements of Income

Third Quarter, Fiscal Year 2017

(Millions of Yen)

	Third Quarter, Fiscal 2016 (From October 1, 2016 to December 31, 2016)	Third Quarter, Fiscal 2017 (From October 1, 2017 to December 31, 2017)
Net sales	248,370	257,480
Cost of sales	165,724	173,119
Gross profit	82,646	84,360
Selling, general & administrative expenses	64,784	67,944
Operating Income	17,861	16,415
Non-operating income		
Interest income	193	231
Dividend income	382	476
Equity in earnings of affiliates	221	-
Foreign exchange gain, net	4,824	-
Miscellaneous income	1,223	801
Total non-operating income	6,846	1,509
Non-operating expenses		
Interest expenses	136	136
Sales discounts	102	114
Equity in losses of affiliates	-	138
Foreign exchange loss, net	-	28
Miscellaneous expenses	761	1,829
Total non-operating expenses	1,000	2,248
Ordinary income	23,707	15,677
Extraordinary loss		
Loss on transfer of business	1,248	-
Loss on impairment of fixed assets	415	-
Provision for loss on transfer of business	69	-
Loss on sales or disposal of property, plant and equipment	1,015	272
Total extraordinary loss	2,749	272
Income before income taxes	20,958	15,405
Income taxes	6,651	4,801
Net Income	14,307	10,604
Net Income Attributable:		
Non-controlling interests	464	512
Owners of Parent	13,842	10,092

Consolidated Statement of Comprehensive Income
First 9 months, Fiscal Year 2017

(Millions of Yen)

	First 9 Months, Fiscal 2016 (From April 1, 2016 to December 31, 2016)	First 9 Months, Fiscal 2017 (From April 1, 2017 to December 31, 2017)
Net income	41,325	47,060
Other comprehensive income (loss)		
Unrealized holding gain on securities	1,418	11,628
Deferred gain on hedges	208	6
Translation adjustments	-1,781	10,590
Retirement benefit adjustments	59	-1,128
Comprehensive income of affiliates accounted for by the equity method attributable to the Company	357	695
Total other comprehensive income	261	21,793
Comprehensive income	41,586	68,853
Comprehensive income attributable to:		
Owners of the Parent	40,447	65,343
Non-controlling interests	1,139	3,509

(3)Consolidated Statements of Cash Flows

First 9 months, Fiscal Year 2017

(Millions of Yen)

	First 9 Months, Fiscal 2016 (From April 1, 2016 to December 31, 2016)	First 9 Months, Fiscal 2017 (From April 1, 2017 to December 31, 2017)
Operating activities:		
Income before income taxes	59,564	65,572
Depreciation and amortization	25,727	26,806
Amortization of goodwill	1,593	1,732
Loss on impairment of fixed assets	820	284
Loss on disposal of property, plant and equipment	1,312	739
Gain (loss) on sales of property, plant and equipment, net	63	-2,315
Decrease in liability for retirement benefits	-2,038	-1,615
Gain on sales of investments in securities	-6,875	-
Loss on devaluation of investment in securities	4,460	-
Decrease in reserve for bonuses	-7,569	-7,528
Interest and dividends income	-4,374	-4,634
Interest expenses	737	716
Equity in earnings of affiliates	-1,694	-1,310
Loss on transfer of business	2,240	-
Provision of reserve for loss on transfer of business	2,136	-
Decrease (increase) in notes and accounts receivable	-445	3,522
Increase in inventories	-19,649	-26,290
Decrease in notes and accounts payable	-6,521	-10,111
Increase in advances received	13,048	14,444
Other	-3,108	-5,194
Subtotal	59,428	54,816
Interest and dividends received	5,059	5,321
Interest paid	-806	-741
Income taxes refund	4,661	-
Income taxes paid	-9,325	-20,363
Net cash provided by operating activities	59,017	39,032
Investing activities:		
Purchases of property, plant and equipment	-26,915	-33,904
Proceeds from sales of property, plant and equipment	1,307	3,929
Payments into time deposits	-4,107	-222
Proceeds from withdrawal of time deposits	4,006	19,366
Purchases of investments in securities	-2,027	-7,434
Proceeds from sales or redemption of investments in securities	17,774	820
Acquisition of investments in subsidiaries resulting in change in scope of consolidation	-	-22,019
Acquisitions of securities in subsidiaries	-1,053	-727
Purchases of intangible assets	-2,878	-3,035
Other	-886	-52
Net cash used in investing activities	-14,781	-43,280
Financing activities:		
Increase in short-term debt, net	591	21,440
Repayments of lease obligations	-2,774	-2,892
Increase in commercial paper	-	19,000
Proceeds from long-term debt	3,806	1,831
Repayment of long-term debt	-8,145	-2,631
Proceeds from issuance of bonds	10,000	-
Payment for redemption of bonds	-10,008	-8
Cash dividends paid	-15,547	-18,143
Cash dividends paid to non-controlling interests	-511	-802
Purchase of treasury stock	-16,354	-13,261
Other	1,296	1,041
Net cash provided by (used in) financing activities	-37,647	5,573
Effect of exchange rate changes on cash and cash equivalents	-363	2,327
Net increase in cash and cash equivalents	6,225	3,652
Cash and cash equivalents at beginning of term	67,104	89,856
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	644
Cash and cash equivalents at end of term	73,329	94,152

(4) Items Concerning the Information in the quarterly Consolidated Financial Statements (Notes)

(Notes regarding the premise of a going concern)

No significant changes during the term under review.

(Significant Change in Shareholder Equity)

No significant changes during the term under review.

(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 third quarter under review, is a reasonable estimate based on the estimated effective tax rate after applying tax effect accounting to income before income taxes for the full year and for the quarter under review. Deferred income taxes are included in the income tax amount.

(Segment Information)

I. Consolidated First 9 Months, Fiscal 2017 (April 1, 2017 to December 31, 2017)

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. Sales:						
(1) Sales to third parties	345,307	162,214	280,197	787,718	3,898	791,616
(2) Intersegment sales or tranfers	430	9,610	5,420	15,462	152	15,614
Net Sales	345,737	171,824	285,617	803,180	4,050	807,231
Segment income (loss)	17,777	8,928	43,932	70,639	-7,122	63,516

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

2. Difference between the total of reporting segments in income (loss) 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	70,639
Other loss	-7,122
Eliminations	-154
Corporate expenses (Note)	-945
Total operating income reported in the quarterly consolidated statements of income	62,416

Note: Corporate expenses are mainly general administrative expenses not attributable to each reporting segments.

3. Information on impairment loss on fixed assets or good will, etc., for each reporting segment

(Significant change in the amount of goodwill)

The allocation of the cost of acquisition of shares of PT Cayman Limited, which was provisionally accounted for during the second quarter of the fiscal year ending March 31, 2018 on a consolidated basis, was finalized in the consolidated third quarter of the fiscal year under review in the High Performance Plastics segment. As a result, the amount of goodwill increased by ¥4,074 million in the consolidated cumulative third quarter of the fiscal year ending March 31, 2018.

In addition, Sekisui Chemical acquired shares of SoflanWiz Co., Ltd. (current Sekisui SoflanWiz Co., Ltd.), which was included in the Group's scope of consolidation as a subsidiary company. The amount of goodwill increased by ¥4,794 million in the consolidated cumulative third quarter of the fiscal year ending March 31, 2018 following this acquisition. This is a provisional amount because the allocation of the cost of acquisition has not been finalized.

4. Regional Information

Net sales

	Japan	U.S.	Europe	Asia	Others	Total
Net sales (millions of yen)	587,317	57,245	43,568	94,211	9,273	791,616

II. Consolidated Third Quarter, Fiscal 2017 (October 1, 2017 to December 31, 2017)

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. Sales:						
(1) Sales to third parties	101,314	56,842	98,064	256,221	1,258	257,480
(2) Intersegment sales or tranfers	32	2,928	2,029	4,989	61	5,051
Net Sales	101,347	59,770	100,093	261,211	1,319	262,531
Segment income (loss)	-25	4,084	15,123	19,182	-2,290	16,892

Note: Other represents segments other than the reportable segments, which includes provision of services and manufacturing and sales of film-type lithium-ion batteries and products not included in the Company's reportable segments.

2. Difference between the total of reporting segments in income (loss) 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	19,182
Other loss	-2,290
Eliminations	-72
Corporate expenses (Note)	-404
Total operating income reported in the quarterly consolidated statements of income	16,415

Note: Corporate expenses are mainly general administrative expenses not attributable to each reporting segments.

3. Information on impairment loss on fixed assets or good will, etc., for each reporting segment

(Significant change in the amount of goodwill)

The allocation of the cost of acquisition of shares of PT Cayman Limited, which was provisionally accounted for during the second quarter of the fiscal year ending March 31, 2018 on a consolidated basis, was finalized in the consolidated third quarter of the fiscal year under review in the High Performance Plastics segment. As a result, the amount of goodwill has been revised downward by ¥2,356 million in the consolidated third quarter of the fiscal year ending March 31, 2018.

In addition, Sekisui Chemical acquired shares of SoflanWiz Co., Ltd. (current Sekisui SoflanWiz Co., Ltd.), which was included in the Group's scope of consolidation as a subsidiary company. The amount of goodwill increased by ¥4,794 million in the consolidated third quarter of the fiscal year ending March 31, 2018 following this acquisition. This is a provisional amount because the allocation of the cost of acquisition has not been finalized.

4. Regional Information

Net sales

	Japan	U.S.	Europe	Asia	Others	Total
Net sales (millions of yen)	186,313	19,068	14,464	34,645	2,988	257,480