

[Operating Results]

In the period of our fiscal 2008, the Japanese economy went through such difficulties as the simultaneous slowdown of the world economy which originated from the financial crisis in the U.S., the sharp appreciation of the yen, and the steep fall in the stock market prices. In the latter half of fiscal 2008, corporate production activity, capital expenditure and personal spending apparently shrunk significantly.

Under such conditions, our group undertook companywide efforts to support its performance, including maintenance of sales quantities, improvement of selling prices, all-out cost reductions, and curtailment of expenses.

As a result, for fiscal 2008, our group's net sales increased to 64.737 billion yen (a 4.0% increase over the previous fiscal year), while the group's operating income decreased to 2.589 billion yen (a 58.1% decrease over the previous year), ordinary income also decreased to 1.838 billion yen (a 67.5% decrease over the previous year), and net income was 1.53 billion yen (a 54.9% decrease over the previous year).

The results by segment are as follows:

[Chemicals]

In this division, net sales in pharmaceutical-related products increased while industrial chemicals and water-soluble polymers decreased due to deep decline in demand in both Japan and overseas and the sharp rise of the yen particularly in the latter half of fiscal 2008, resulting in the division's decreased sales of 20.692 billion yen (a 6.6% decrease over the previous year) and operating loss of 677 million yen.

[Super Absorbent Polymer]

In this division, factors such as the completion in August 2007 of super absorbent polymer production facilities and the acquisition in April 2008 of Super Absorbent Polymer Division of ARKEMA in France contributed to sales growth for the full business year, with net sales increase to 30.81 billion yen (a 19.5% increase over the previous year). On the other hand, operating income decreased to 2.218 billion yen (a 10.3% decrease over the previous year) mainly because our sales prices for customers were not able to sufficiently catch up with erratic fluctuations in prices of raw materials.

[Gases and Engineering]

In this division, while sales of PSA gas generators remained same as the previous year, sales of electronic gases decreased due to falling demand of semiconductors' worldwide market. As a result, net sales decreased to 13.234 billion yen (a 7.5% decrease over the previous year) and operating income decreased to 1.033 billion yen (a 42.3% decrease over the previous year)

[Forecast for fiscal 2009]

Negative economic growth for two consecutive years has officially been forecasted for fiscal 2008 and 2009. Japanese economy will continue to suffer such harsh situations for another year under unpredictable and uncertain circumstances of world economy.

Under such conditions, our group forecasts its performance for fiscal 2009 as follows:

(in million yen)

| | |
|------------------|--------|
| Net sales | 60,000 |
| Operating income | 2,600 |
| Ordinary income | 2,400 |
| Net income | 1,500 |

(Based on the assumption that the exchange rate is 95 yen per dollar and naphtha price is 33,000 yen per kilo liter)

Outline of Consolidated Financial Statement for fiscal 2008 Ended March 31, 2009

May 11, 2009

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

(in million yen)

| | FY2007 ended March 31, 2008 | FY2008 ended March 31, 2009 | Change from previous year | FY Ending March, 2010 |
|--|--------------------------------|--------------------------------|------------------------------|--------------------------|
| Net Sales | 62,255 | 64,737 | 2,481 | 60,000 |
| Operating Income | 6,174 | 2,589 | △3,584 | 2,600 |
| Ordinary Income | 5,664 | 1,838 | △3,825 | 2,400 |
| Net Income | 3,333 | 1,503 | △1,829 | 1,500 |
| Net Income Per Share for the Term | 48.32 yen | 21.80yen | △12.52yen | 21.75yen |
| Shareholder Return on Equity for the Term | 11.2% | 5.0% | △6.2% | 5.0% |
| Average Exchange Rate (yen/dollar) | 114.29yen | 100.54yen | - | 95.00 |
| Naphtha Price (Yen/KL) | 61,500 | 58,900 | - | 33,000 |

2. Net Sales and Operating Income for Each Business Segment

(in million yen)

| | | FY2007 ended March 31, 2008 | FY2008 ended March 31, 2009 | Change from previous year | FY Ending March, 2010 |
|-------------------------------|---------------------|--------------------------------|--------------------------------|------------------------------|--------------------------|
| Chemicals | Net Sales | 22,148 | 20,692 | △1,456 | 22,000 |
| | Operating Income | 1,948 | △677 | △2,626 | 300 |
| Super Absorbent Polymer | Net Sales | 25,793 | 30,810 | 5,017 | 26,000 |
| | Operating Income | 2,473 | 2,218 | △254 | 1,800 |
| Gases and Engineering | Net Sales | 14,313 | 13,234 | △1,078 | 12,000 |
| | Operating Income | 1,792 | 1,033 | △759 | 500 |
| Elimination | Net Sales | | | - | - |
| | Operating Income | △40 | 14 | 55 | - |
| Total | Net Sales | 62,255 | 64,737 | 2,481 | 60,000 |
| | Operating Income | 6,174 | 2,589 | △3,584 | 2,600 |