

January 29, 2010  
Sumitomo Seika Chemicals Company, Limited

During the nine months ended December 31, 2009, Japan's economy showed a few signs of recovery in part of exports supported mainly by demand from China. However, harsh business conditions continued such as a decrease in the plant and equipment investment and severe employment situations. Fuel and raw materials prices increased and the appreciation of the yen against foreign currencies was accelerated.

Under such conditions, our group undertook companywide efforts to improve business performance by price correction of the products while implementing rationalization measures including cost-cutting.

The financial results for the nine months ended December 31, 2009 were as follows: the net sales decreased significantly to 41.159 billion yen, an 18.0% decrease over the same period a year ago; the operating income was 1.761 billion yen, a 2.3% increase over the same period of the previous year; the ordinary income was 1.503 billion yen, a 46.7% increase over the same period of the previous year, and the net income was 0.941 billion yen, a 58.3% increase over the same period of the previous year.

The results by segment are as follows:

(Chemicals)

In this division, while the demand for water-soluble polymers returned to such level as the same period of the previous year, industrial chemicals was affected by a significant decrease in demand along with the economic downturn. As a result, sales for this division decreased by 25.3% to 12.209 billion yen over the same period of the previous year while operating loss was 1.039 billion yen.

(Super Absorbent Polymer)

In this division, while the shipments remained the same level as the same period of the previous year, sales decreased by 12.6% to 20.444 billion yen over the same period of the previous year mainly because of lower selling prices. Operating income increased by 176.0% to 2.181 billion yen over the same period of the previous year reflecting improvement in business performance of overseas subsidiaries.

(Gases and Engineering)

In this division, sales of electronic gases remained lower than the level in the same period a year ago despite a slight upturn of demand in the stagnation of related markets. Sales of PSA gas generators also decreased due to reduction of corporate capital investment in related industries. As a result, net sales for this division decreased by 18.8% to 8.505 billion yen over the same period of the previous year while operating income decreased by 46.3% to 608 million yen.

Outline of Consolidated Financial Statement for the nine months ended December 31, 2009

January 29, 2010

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

(in million yen)

	9 Months ended December 31, 2008	9 Months ended December 31, 2009	Change from previous year	FY Ending March 31, 2010
Net Sales	50,200	41,159	△9,041	60,000
Operating Income	1,721	1,761	39	2,600
Ordinary Income	1,025	1,503	478	2,400
Net Income	594	941	346	1,500
Net Income Per Share for the Term	8.62yen	13.65yen	△5.03yen	21.75yen
Shareholder Return on Equity for the Term	2.0%	3.2%	1.2%	5.0%
Average Exchange Rate (yen/dollar)	102.85yen	93.57yen	-	92.75yen
Naphtha Price (yen/KL)	69,600	39,500	-	41,000

2. Net Sales and Operating Income of Each Business Segment

(in million yen)

		9 Months ended December 31, 2008	9 Months ended December 31, 2009	Change from previous year	FY Ending March 31, 2010
Chemicals	Net Sales	16,336	12,209	△4,127	18,000
	Operating Income	△213	△1,039	△826	△900
Super Absorbent Polymer	Net Sales	23,391	20,444	△2,947	29,000
	Operating Income	790	2,181	1,391	2,600
Gases and Engineering	Net Sales	10,472	8,505	△1,966	13,000
	Operating Income	1,133	608	△524	900
(Elimination) Offsetting	Net Sales	-	-	-	-
	Operating Income	11	10	0	-
Total	Net Sales	50,200	41,159	△9,041	60,000
	Operating Income	1,721	1,761	39	2,600