

Consolidated Financial Results for the Three Months Ended June 30, 2010 (Q1 FY2010)

July 30, 2010

Sumitomo Seika Chemicals Company, Limited

During the three months ended June 30, 2010 (fiscal 2010), Japan's economy showed an improving trend by and large, with exports rebounding and personal consumption picking up. There was, however, growing uncertainty over the prospects of the economy with continued appreciation of the yen caused by financial instability in Europe.

Given the situation, the Sumitomo Seika Group undertook group-wide efforts to improve business performance including expanding sales volume of main products and increasing selling prices of products. As a result, our financial results for the three months ended June 30, 2010 have improved as follows: net sales and operating income both increased over the same period a year earlier, by 12.3% to 14.405 billion yen and by 28.7% to 0.753 billion yen, respectively. On the other hand, due to exchange losses caused by continued appreciation of the yen, ordinary income declined compared with the same period of the previous fiscal year by 21.1% to 0.468 billion yen with net income of 0.296 billion yen, a 20.5% decrease from the same period of the previous fiscal year.

Chemicals

While overall sales of pharmaceutical intermediates decreased, sales for water-soluble polymers and powdered plastics began picking up. As a result, net sales for this division increased by 7.6% over the same period a year earlier to 4.196 billion yen, while operating income improved slightly to a loss of 0.314 billion yen.

Super Absorbent Polymers

Due to steady demand in Asia, net sales rose by 23.0% to 7.801 billion yen, and operating income increased by 43.2% to 0.975 billion yen over the same period of the previous year.

Gases and Engineering

Although sales of electronic gases remained strong, sales of PSA gas generators decreased. Consequently, net sales for this division decreased by 6.9% from the same period of the previous year to 2.407 billion yen, and operating income dropped by 61.5% to a profit of 0.089 billion yen.

Outline of Consolidated Financial Statement for the Three Months Ended June 30, 2010 (Q1 FY2010)

July 30, 2010

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

(million JPY)

	Three months ended June 30, 2009	Three months ended June 30, 2010	Y-o-y change	FY 2010 ending March 31, 2011
Net Sales	12,830	14,405	1,574	56,525
Operating Income	585	753	168	2,947
Ordinary Income	593	468	(125)	2,697
Net Income	373	296	(76)	1,745
Net Income Per Share for the Term (JPY)	5.41	4.30	(1.11)	25.31
Shareholder Return on Equity for the Term	1.2%	1.0%	(0.2%)	5.7%
Average Exchange Rate (JPY/USD)	97.33	92.02	-	92.86
Naphtha Price (JPY/KL)	33,300	50,000	-	41,175

2. Net Sales and Operating Income by Business Segment

(million JPY)

		Three months ended June 30, 2009	Three months ended June 30, 2010	Y-o-y change	FY 2010 ending March 31, 2011
Chemicals	Net Sales	3,899	4,196	296	16,852
	Operating Income	(336)	(314)	21	(1,192)
Super Absorbent Polymers	Net Sales	6,344	7,801	1,456	28,249
	Operating Income	681	975	294	3,299
Gases and Engineering	Net Sales	2,586	2,407	(178)	11,423
	Operating Income	231	89	(142)	824
(Elimination) Offsetting	Net Sales	-	-	-	-
	Operating Income	8	3	(5)	16
Total	Net Sales	12,830	14,405	1,574	56,525
	Operating Income	585	753	168	2,947