

Consolidated Financial Results
for the Nine Months Ended December 31, 2013 (Q3 FY2013)

February 5, 2014
Sumitomo Seika Chemicals Company, Limited

During the nine months ended December 31, 2013 (fiscal 2013), the Japanese economy showed a trend of a pickup in corporate revenues and consumer spending as a result of the correction of the yen's appreciation and a stock price hike that had been brought about by the government's fiscal measures and the Bank of Japan's enhanced monetary easing. Overall, however, the economy remained still short of full-fledged recovery and left lingering uncertainties in its outlook, such as an anticipated rebound from a last-minute demand surge ahead of the scheduled consumption tax increase and concerns over possible loss of growth momentum in overseas economies.

Under these circumstances, the Sumitomo Seika Group's financial results for the nine months ended December 31, 2013 were as follows;

Net sales posted 70.407 billion yen, a 42.5% increase over the same period of the previous fiscal year;
Operating income was 5.972 billion yen, a 140.6% gain over the same period of the previous fiscal year;
Ordinary income reached 6.851 billion yen, 169.1% higher than the same period of the previous fiscal year;
and Net income recorded 4.910 billion yen, a 184.7% growth over the same period of the previous fiscal year.

(Note) Change in the fiscal year closing date of consolidate subsidiaries

In order to ensure more appropriate management and information disclosure of Sumitomo Seika Group's financial performance, starting fiscal 2013, the fiscal year closing date of some of our consolidated subsidiaries outside Japan has been changed from December 31 to March 31, the closing date of our consolidated financial statements. As a result of this change, those subsidiaries' financial results for the twelve-month period from January 1 to December 31, 2013 have been consolidated in the current third-quarter financial results.

Chemicals

Despite declined sales of fine chemicals products, this segment reported a 13.1% increase in net sales compared with the same period of the previous fiscal year to 14.036 billion yen, and narrowed operating loss of 0.149 billion yen, owing to sales increase in water-soluble polymers and fine particulate polymers.

Super Absorbent Polymers

Net sales posted 47.162 billion yen, a 69.7% increase over the same period of the previous fiscal year, and operating income amounted to 5.535 billion yen, a 163.9% increase over the same period of the previous fiscal year.

If necessary adjustments were made to make a fair comparison in financial results between this fiscal quarter and the same period of the previous fiscal year by excluding the actual financial performance for the term from

January 1, 2013 to March 30, 2013 of those consolidated subsidiaries that have changed their fiscal closing date, net sales would be 42.345 billion yen, a 52.4% increase over the same period of the previous fiscal year, and operating income would be 4.964 billion yen, a 136.7% increase over the same period of the previous fiscal year, owing to such factors as contribution by a new plant at Himeji Works having become operational in January 2013 and the yen being weaker than the same period of the previous fiscal year.

Gases and Engineering

Despite a prevailing trend of recovery in the semiconductor industry, a market for the Company's core business of electronic gases, this segment's net sales stayed flat at 9.207 billion yen and operating income decreased by 23.8% to 0.569 billion yen from the same period of the previous fiscal year, due to sluggish demand for PC-use DRAMs and liquid crystal displays as well as further intensified price competition.

Outline of Consolidated Financial Statement for the Nine Months Ended December 31, 2013 (Q3 FY2013)

February 5, 2014

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		9 months ended December 31		Y-o-y change	FY 2013 ending March 31, 2014
		2012	2013		
Net Sales	Million ¥	49,409	70,407	+20,997	96,000
Operating Income	Million ¥	2,482	5,972	+3,489	8,000
Ordinary Income	Million ¥	2,545	6,851	+4,305	8,500
Net Income	Million ¥	1,725	4,910	+3,185	6,000
Net Income Per Share for the Term	¥	25.01	71.21	+46.20	87.00
Shareholder Return on Equity for the Term	%	5.1	11.8	+6.7	14.9
Average Exchange Rate	¥/USD	80.01	99.39	-	100.00
Naphtha Price	¥/KL	55,400	65,700	-	67,500

* Impact of the change to the fiscal closing date at some of the consolidated subsidiaries: Sales 5.455 billion JPY, Operating Income 0.553 billion JPY, and Ordinal Income 0.607 billion JPY.

2. Net Sales and Operating Income By Business Segment

		9 months ended December 31		Y-o-y change	FY 2013 ending March 31, 2014
		2012	2013		
Chemicals					
Net Sales	Million ¥	12,405	14,036	+1,630	19,000
Operating Income	Million ¥	(336)	(149)	+186	(200)
Super Absorbent Polymers					
Net Sales	Million ¥	27,792	47,162	+19,370	64,500
Operating Income	Million ¥	2,097	5,535	+3,437	7,500
Gases and Engineering					
Net Sales	Million ¥	9,211	9,207	(3)	12,500
Operating Income	Million ¥	747	569	(177)	700
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	(26)	16	+43	-
Total					
Net Sales	Million ¥	49,409	70,407	+20,997	96,000
Operating Income	Million ¥	2,482	5,972	+3,489	8,000