

Consolidated Financial Results
for the Half-Year Ended September 30, 2013 (Q2 FY2013)

November 6, 2013
Sumitomo Seika Chemicals Company, Limited

During the half-year ended September 30, 2013 (fiscal 2013), Japan's economy continued to see an improving trend in corporate business performance owing to the weakening of yen as stimulated by the Bank of Japan's monetary easing program, despite the prolonged economic stagnation in Europe and the decelerating growth of emerging countries. All in all, there were observed rising expectations of economic upturn.

Under these circumstances, the Sumitomo Seika Group's financial results for the half-year ended September 30, 2013 were as follows;

Net sales posted 47.411 billion yen, a 42.0% increase over the same period of the previous fiscal year;
Operating income was 3.627 billion yen, a 83.6% gain over the same period of the previous fiscal year;
Ordinary income reached 4.046 billion yen, 129.9% higher than the same period of the previous fiscal year;
and Net income recorded 3.107 billion yen, a 194.6% 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 nine-month period from January 1 to September 30, 2013 have been consolidated in the current first-quarter financial results.

Chemicals

While sales of water-soluble polymers and fine particulate polymers increased, total sales of fine chemicals decreased. As a result, net sales for this segment increased by 4.0% to 8.854 billion yen, while operating income deteriorated to a loss of 0.336 billion yen, a decrease of 0.102 billion yen from the same period of the previous fiscal year.

Super Absorbent Polymers

Net sales posted 32.466 billion yen, a 72.5% increase over the same period of the previous fiscal year, and operating income amounted to 3.579 billion yen, a 116.4% 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 27.649 billion yen, a 46.9% increase over the same period of the previous fiscal year,

and operating income would be 3.008 billion yen, a 81.9% 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

Sales for the electronic gases remained weak, affected by a sluggish demand for PCs and liquid crystal panels for which semiconductor gas is used. On the other hand, some of the foreign subsidiaries in the Group saw increased shipments of high-purity ammonia. As a result, net sales increased by 0.8% to 6.090 billion yen, while operating income decreased by 33.2% to 0.373 billion yen from the same period of the previous fiscal year due to further intensified price competition in Japan and overseas.

Outline of Consolidated Financial Statement for the Half-Year Ended September 30, 2013 (Q2 FY2013)

November 6, 2013

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		6 months ended September 30		Y-o-y change	FY 2013 ending March 31, 2014
		2012	2013		
Net Sales	Million ¥	33,384	47,411	+14,027	95,000
Operating Income	Million ¥	1,976	3,627	+1,651	6,800
Ordinary Income	Million ¥	1,760	4,046	+2,286	7,100
Net Income	Million ¥	1,054	3,107	+2,052	5,200
Net Income Per Share for the Term	¥	15.29	45.05	+29.76	75.40
Shareholder Return on Equity for the Term	%	3.1	7.7	+4.6	13.0
Average Exchange Rate	(¥/USD)	79.42	98.86	-	97.00
Naphtha Price	(¥/KL)	55,200	64,700	-	65,000

* 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 of Each Business Segment

		6 months ended September 30		Y-o-y change	FY 2013 ending March 31, 2014
		2012	2013		
Chemicals					
Net Sales	Million ¥	8,517	8,854	+336	18,400
Operating Income	Million ¥	-234	-336	-102	-600
Super Absorbent Polymers					
Net Sales	Million ¥	18,823	32,466	+13,642	63,900
Operating Income	Million ¥	1,653	3,579	+1,925	6,700
Gases and Engineering					
Net Sales	Million ¥	6,042	6,090	+47	12,700
Operating Income	Million ¥	558	373	-185	700
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	-1	11	+13	-
Total					
Net Sales	Million ¥	33,384	47,411	+14,027	95,000
Operating Income	Million ¥	1,976	3,627	+1,651	6,800