

Consolidated Financial Results
for the Three Months Ended June 30, 2013 (Q1 FY2013)

August 6, 2013

Sumitomo Seika Chemicals Company, Limited

During the three months ended June 30, 2013 (fiscal 2013), despite the prolonged economic stagnation in Europe and the decelerating growth of emerging countries, Japan saw an improving trend domestically in corporate business performance owing, among others, to the weakening of yen stimulated by the monetary easing program that the Bank of Japan has undertaken. Toward the second half of this year, there are rising general expectations for Japan's economy to recover further.

Under these circumstances, the Sumitomo Seika Group's financial results for the three months ended June 30, 2013 improved over the same period of the previous fiscal year;

Net sales posted 25.712 billion yen, a 55.0% increase over the same period of the previous fiscal year;

Operating income was 1.919 billion yen, a 87.4% gain over the same period of the previous fiscal year;

Ordinary income reached 2.404 billion yen, 200.3% higher than the same period of the previous fiscal year;

and Net income recorded 1.617 billion yen, a 205.3% 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 six-month period from January 1 to June 30, 2013 have been consolidated in the current first-quarter financial results

Chemicals

While sales of water-soluble polymers increased, sales of pharmaceutical intermediates and functional products decreased. As a result, net sales for this segment increased by 1.6% to 4.254 billion yen, while operating income deteriorated to a loss of 0.245 billion yen, a decrease of 0.195 billion yen from the same period of the previous fiscal year.

Super Absorbent Polymers

Net sales posted 18.522 billion yen, a 99.7% increase over the same period of the previous fiscal year, and operating income amounted to 2.044 billion yen, a 175.6% 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 13.705 billion yen, a 47.7% increase over the same period of the previous fiscal year, and operating income would be 13.705 billion yen, a 47.7% 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

Sales for the electronic gases remained weak due to curtailed production in the semiconductor and liquid crystal industries as well as further intensified price competition, which caused net sales and operating income to decrease by 6.2% to 2.935 billion yen and by 65.2% to 0.113 billion yen, respectively, from same period of the previous fiscal year.

Outline of Consolidated Financial Statement for the Three Months Ended June 30, 2013 (Q1 FY2013)

August 6, 2013

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		Three months ended June 30		Y-o-y change	FY 2012 ended March 31, 2013
		2012	2013		
Net Sales	Million ¥	16,590	25,712	+9,121	70,591
Operating Income	Million ¥	1,024	1,919	+895	4,182
Ordinary Income	Million ¥	800	2,404	+1,603	4,692
Net Income	Million ¥	529	1,617	+1,088	3,121
Net Income Per Share for the Term	¥	7.68	23.46	+15.78	45.26
Shareholder Return on Equity for the Term	%	1.6	4.1	+2.5	8.8
Average Exchange Rate	(¥/USD)	80.21	98.76	-	83.11
Naphtha Price	(¥/KL)	60,600	65,500	-	57,500

2. Net Sales and Operating Income of Each Business Segment

		Three months ended June 30		Y-o-y change	FY 2012 ended March 31, 2013
		2012	2013		
Chemicals					
Net Sales	Million ¥	4,185	4,254	+68	17,020
Operating Income	Million ¥	-49	-245	-195	-299
Super Absorbent Polymers					
Net Sales	Million ¥	9,275	18,522	+9,247	41,054
Operating Income	Million ¥	741	2,044	+1,302	3,645
Gases and Engineering					
Net Sales	Million ¥	3,130	2,935	-194	12,516
Operating Income	Million ¥	327	113	-213	859
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	4	6	+1	-21
Total					
Net Sales	Million ¥	16,590	25,712	+9,121	70,591
Operating Income	Million ¥	1,024	1,919	+895	4,182