

Consolidated Financial Results for the Half-Year Ended September 30, 2012

November 2, 2012

Sumitomo Seika Chemicals Company, Limited

During the half-year ended September 30, 2012, despite an economic boost having been expected to result from the restoration-related demand in the aftermath of the Great East Japan Earthquake, a business pickup in Japan continued to tread an unsteady path due mainly to exports stagnating in volume under downward pressure exerted by Europe's financial crisis and the decelerated growth of emerging economies on the world economy.

In this unfavorable business situation, the Sumitomo Seika Group's financial results for the half-year ended September 30, 2012 were as follows: net sales posted 33.384 billion yen, a 2.1% decrease from the same period of the previous fiscal year; operating income was 1.976 billion yen, a 10.8% increase over the same period a year earlier; ordinary income was 1.760 billion yen, a 11.9% increase over the same period of the previous fiscal year; and net income was 1.054 billion yen, a 2.2% decrease from the same period of the previous fiscal year.

Chemicals

While industrial chemicals posted reduced sales as a result of withdrawal from part of the business, sales of functional products and water-soluble polymers increased. Consequently, net sales for this segment stayed more or less the same as in the corresponding period of the previous year at 8.517 billion yen, a 0.1% decline, and operating income improved to a loss of 0.234 billion yen, an increase of 0.829 billion yen from the same period of previous fiscal year.

Super Absorbent Polymers

Sales remained steady in volume mainly for hygiene applications. On the other hand, product selling prices dropped as the supply-demand balance softened with further intensified market competition. As a result, net sales and operating income both decreased from the same period of the previous fiscal year by 2.2% to 18.823 billion yen and by 28.6% to 1.653 billion yen, respectively.

Gases and Engineering

Sales for electronic gases took a downturn due to curtailed production in the semiconductor industry and liquid crystal industry, which caused net sales to decrease by 4.4% from the same period of the previous year to 6.042 billion yen while operating income improved slightly over the same period of the previous fiscal year by 6.7% to 0.558 billion yen.

Outline of Consolidated Financial Statement for the Half-Year Ended September 30, 2012

November 2, 2012
Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

| | | 6 months ended September 30 | | Y-o-y change | FY 2012 ending March 31, 2013 |
|---|-----------|-----------------------------|--------|-----------------|----------------------------------|
| | | 2011 | 2012 | | |
| Net Sales | Million ¥ | 34,089 | 33,384 | -705 | 72,000 |
| Operating Income | Million ¥ | 1,784 | 1,976 | 192 | 3,800 |
| Ordinary Income | Million ¥ | 1,573 | 1,760 | 187 | 3,400 |
| Net Income | Million ¥ | 1,078 | 1,054 | -23 | 2,300 |
| Net Income Per Share for the Term | ¥ | 15.64 | 15.29 | -0.35 | 33.35 |
| Shareholder Return on Equity for the Term | % | 3.3% | 3.1% | -0.2% | 6.8% |
| Average Exchange Rate | (¥/USD) | 79.82 | 79.42 | - | 78.70 |
| Naphtha Price | (¥/KL) | 56,950 | 55,200 | - | 55,100 |

2. Net Sales and Operating Income of Each Business Segment

| | | 6 months ended September 30 | | Y-o-y change | FY 2012 ending March 31, 2013 |
|---------------------------------|-----------|-----------------------------|--------|-----------------|----------------------------------|
| | | 2011 | 2012 | | |
| Chemicals | | | | | |
| Net Sales | Million ¥ | 8,530 | 8,517 | -12 | 17,500 |
| Operating Income | Million ¥ | -1,064 | -234 | 829 | -500 |
| Super Absorbent Polymers | | | | | |
| Net Sales | Million ¥ | 19,241 | 18,823 | -418 | 41,000 |
| Operating Income | Million ¥ | 2,315 | 1,653 | -662 | 3,200 |
| Gases and Engineering | | | | | |
| Net Sales | Million ¥ | 6,317 | 6,042 | -274 | 13,500 |
| Operating Income | Million ¥ | 523 | 558 | 35 | 1,100 |
| (Elimination) Offsetting | | | | | |
| Net Sales | Million ¥ | - | - | - | - |
| Operating Income | Million ¥ | 8 | -1 | -10 | - |
| Total | | | | | |
| Net Sales | Million ¥ | 34,089 | 33,384 | -705 | 72,000 |
| Operating Income | Million ¥ | 1,784 | 1,976 | 192 | 3,800 |

Cautionary Statement

Statements made herein with respect to the company's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Seika Chemicals. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Seika Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Seika Chemicals' products in the marketplace; Sumitomo Seika Chemicals' ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.