

## Consolidated Financial Results for the Three Months Ended June 30, 2011 (Q1 FY2011)

August 2, 2011

Sumitomo Seika Chemicals Company, Limited

During the three months ended June 30, 2011 (fiscal 2011), harsh business conditions continued to prevail in Japan, such as stagnant domestic consumption and sluggish production activities affected by the consequences of Great East Japan Earthquake that had taken place in March, 2011.

Against this unfavorable situation, the Sumitomo Seika Group's financial results for the three months ended June 30, 2011 improved over the same period of the previous fiscal year. Net sales posted 16.832 billion yen, a 16.8% increase, and earnings at all levels increased with operating income by 48.0% to 1.115 billion yen, ordinary income by 147.1% to 1.156 billion yen, and net income by 95.3% to 0.579 billion yen, respectively.

### **Chemicals**

As sales of industrial chemicals, both in Japan and abroad, remained stagnant, this division reported a 5.2% drop in net sales compared with the same period of the previous fiscal year to 3.979 billion yen, and operating loss of 0.385 billion yen.

### **Super Absorbent Polymers**

The start of commercial operation of a new plant in Himeji Works, which was completed in August 2010, has contributed to growth in both sales and operating income; net sales increased by 25.7% to 9.807 billion yen, and operating income rose by 33.2% to 1.299 billion yen from the same period of the previous fiscal year.

### **Gases and Engineering**

As sales of products, including electronic gases, stayed solid and sales of PSA gas generators increased, net sales and operating income both improved over the same period of the previous fiscal year by 26.5% to 3.044 billion yen, and by 118.0% to 0.194 billion yen, respectively.

# Outline of Consolidated Financial Statement for the Three Months Ended June 30, 2011 (Q1 FY2011)

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## 1. Consolidated Results

		Three months ended June 30		Y-o-y change	FY 2010 ended March 31, 2011
		2010	2011		
Net Sales	Million ¥	14,405	16,832	2,426	64,672
Operating Income	Million ¥	753	1,115	362	5,819
Ordinary Income	Million ¥	468	1,156	688	5,108
Net Income	Million ¥	296	579	282	3,232
Net Income Per Share for the Term	¥	4.30	8.40	4.10	46.87
Shareholder Return on Equity for the Term	%	1.0%	1.8%	0.8%	10.2%
Average Exchange Rate	(¥/USD)	92.02	81.75	-	85.72
Naphtha Price	(¥/KL)	49,700	59,000	-	47,475

(in million yen)

## 2. Net Sales and Operating Income of Each Business Segment

		Three months ended June 30		Y-o-y change	FY 2010 ended March 31, 2011
		2010	2011		
<b>Chemicals</b>					
Net Sales	Million ¥	4,196	3,979	-216	17,901
Operating Income	Million ¥	-314	-385	-70	-1,442
<b>Super Absorbent Polymers</b>					
Net Sales	Million ¥	7,801	9,807	2,006	35,243
Operating Income	Million ¥	975	1,299	323	6,121
<b>Gases and Engineering</b>					
Net Sales	Million ¥	2,407	3,044	637	11,528
Operating Income	Million ¥	89	194	105	1,154
<b>(Elimination) Offsetting</b>					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	3	7	4	-13
<b>Total</b>					
Net Sales	Million ¥	14,405	16,832	2,426	64,672
Operating Income	Million ¥	753	1,115	362	5,819