

## Consolidated Financial Results for the Half-Year Ended September 30, 2010

November 9, 2010

Sumitomo Seika Chemicals Company, Limited

During the half-year ended September 30, 2010, Japan's economy showed a trend of recovery by and large. There was, however, growing uncertainty over the prospect of the economy in the latter half of the term with sharp appreciation of the yen and slowdown of the US economy.

Given the situation, the Sumitomo Seika Group undertook group-wide efforts to improve business performance including expanding sales volume of main products and increasing selling prices of products. As a result, our financial results for the half-year ended September 30, 2010 have improved over the same period a year earlier. Net sales rose by 11.2% to 30.217 billion yen, and operating income, ordinary income, and net income all increased by 116.2% to 1.848 billion yen, by 74.5% to 1.17 billion yen, and by 70.8% to 0.752 billion yen, respectively.

### **Chemicals**

With sales recovery of water-soluble polymers and powdered plastics, net sales for this division increased by 11.9% over the same period a year earlier to 8.894 billion yen, and operating income improved slightly to a loss of 0.82 billion yen.

### **Super Absorbent Polymers**

Due to steady demand in Asia, net sales rose by 24.3% to 16.3 billion yen, and operating income increased by 72.2% to 2.296 billion yen over the same period of the previous year.

### **Gases and Engineering**

While sales of electronic gases remained strong, sales of PSA gas generators decreased. Consequently, net sales for this division decreased by 17.8% from the same period of the previous year to 5.021 billion yen, and operating income dropped by 6.7% to 0.394 billion yen.

# Outline of Consolidated Financial Statement for the Half-Year Ended September 30, 2010

November 9, 2010

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## 1. Consolidated Results

		6 months ended September 30		Y-o-y change	FY 2010 ending March 31, 2011
		2009	2010		
Net Sales	Million ¥	27,178	30,217	+3,038	64,000
Operating Income	Million ¥	855	1,848	+993	4,200
Ordinary Income	Million ¥	670	1,170	+499	3,500
Net Income	Million ¥	440	752	+312	2,200
Net Income Per Share for the Term	¥	6.39	10.91	+4.52	31.90
Shareholder Return on Equity for the Term	%	1.5	2.4	+0.9	7.0
Average Exchange Rate	(¥/USD)	95.50	88.95	-	84.50
Naphtha Price	(¥/KL)	37,250	46,200	-	45,600

## 2. Net Sales and Operating Income by Business Segment

		6 months ended September 30		Y-o-y change	FY 2010 ending March 31, 2011
		2009	2010		
<b>Chemicals</b>					
Net Sales	Million ¥	7,950	8,894	+944	18,000
Operating Income	Million ¥	-908	-820	+88	-1,300
<b>Super Absorbent Polymers</b>					
Net Sales	Million ¥	13,116	16,300	+3,183	34,000
Operating Income	Million ¥	1,333	2,296	+962	4,600
<b>Gases and Engineering</b>					
Net Sales	Million ¥	6,111	5,021	-1,089	12,000
Operating Income	Million ¥	422	394	-28	900
<b>(Elimination) Offsetting</b>					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	7	-22	-29	-
<b>Total</b>					
Net Sales	Million ¥	27,178	30,217	+3,038	64,000
Operating Income	Million ¥	855	1,848	+993	4,200

## **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's products in the marketplace; Sumitomo Seika Chemicals's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.