

Consolidated Financial Results
for the Three Months Ended June 30, 2018 (Q1 FY2018)

August 3, 2018

Sumitomo Seika Chemicals Company, Ltd.

During the three months ended June 30, 2018 (fiscal 2018), the Japanese economy showed a moderate recovery, as consumer spending showed signs of picking up while employment and household income kept improving. Overseas, although countries generally continued to show a moderate business recovery, the overall economic outlook remained opaque, given uncertainty associated with U.S. protectionist policies and economic prospects of China and other countries such as emerging economies in Asia.

Under these circumstances, the Sumitomo Seika Group's financial results for the three months ended June 30, 2018 were as follows:

Net sales posted 27.21 billion yen, a 9.1% increase compared with the same period in the previous fiscal year;

Operating income was 2.821 billion yen, a 13.9% increase over the same period in the previous fiscal year;

Ordinary income amounted to 2.636 billion yen, a 9.6% increase over the same period in the previous fiscal year;

Net income attributable to owners of the parent came to 1.868 billion yen, an 11.5% increase over the previous fiscal year.

Chemicals

Net sales increased by 1.0% over the same period of the previous fiscal year to 4.432 billion yen, and operating income increased by 43.8% to 0.570 billion yen. This was attributable primarily to an increase in the sales volume of water-soluble polymers.

Super Absorbent Polymers

Net sales increased by 13.5% over the same period of the previous fiscal year to 18.958 billion yen, and operating income also increased by 5.4% to 1.893 billion yen. This was attributable mainly to the increase in sales volume in emerging markets in Asia, including China.

Gases and Engineering

Net sales decreased by 1.1% from the same period of the previous fiscal year to 3.819 billion yen, while operating income increased by 26.3% to 0.352 billion yen. Attributable to this financial result is, among others, the outcome that total sales related to the engineering business increased but sales of industrial chemicals dropped in volume.

Outline of Consolidated Financial Statement for the Three Months Ended June 30, 2018 (Q1 FY2018)

August 3, 2018

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		3 months ended June 30		Y-o-y change	FY 2018 ending March 31, 2019
		FY 2017	FY 2018		
Net Sales	Million ¥	24,949	27,210	+2,260	115,000
Operating Income	Million ¥	2,477	2,821	+344	9,800
Ordinary Income	Million ¥	2,405	2,636	+230	9,900
Net Income attributable to owners of the parent	Million ¥	1,675	1,868	+192	6,700
Net Income Per Share for the Term	¥	121.51	135.44	+13.93	485.78
Shareholder Return on Equity for the Term	%	2.8	2.9	+0.1	10.0
Average Exchange Rate	¥/USD	111.11	109.08	-	110.00
Average Exchange Rate	¥/CNY	16.21	17.12	-	17.00
Naphtha Price	¥/KL	39,100	48,700	-	48,000

2. Net Sales and Operating Income By Business Segment

		3 months ended June 30		Y-o-y change	FY 2018 ending March 31, 2019
		FY 2017	FY 2018		
Chemicals					
Net Sales	Million ¥	4,390	4,432	+42	18,000
Operating Income	Million ¥	396	570	+173	1,700
Super Absorbent Polymers					
Net Sales	Million ¥	16,699	18,958	+2,259	80,000
Operating Income	Million ¥	1,797	1,893	+96	6,100
Gases and Engineering					
Net Sales	Million ¥	3,860	3,819	(40)	17,000
Operating Income	Million ¥	278	352	+73	2,000
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	3	3	(0)	-
Total					
Net Sales	Million ¥	24,949	27,210	+2,260	115,000
Operating Income	Million ¥	2,477	2,821	+344	9,800