

Consolidated Financial Results  
for the Six Months Ended September 30, 2018 (Q2 FY2018)

November 6, 2018

Sumitomo Seika Chemicals Company, Ltd.

During the six months ended September 30, 2018 (fiscal 2018), the Japanese economy saw signs of the recovery of consumer spending and an increase in capital investment as circumstances surrounding 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 six months ended September 30, 2018 were as follows:

Net sales posted 54.954 billion yen, an 8.0% increase compared with the same period in the previous fiscal year;

Operating income was 4.801 billion yen, a 0.0% increase over the same period in the previous fiscal year;

Ordinary income amounted to 4.637 billion yen, a 4.3% decrease from the same period in the previous fiscal year;

Net income attributable to owners of the parent came to 3.145 billion yen, a 10.1% decrease from the previous fiscal year.

#### Chemicals

Net sales increased by 4.6% over the same period of the previous fiscal year to 8.980 billion yen, and operating income increased by 46.4% to 0.972 billion yen. This was attributable primarily to an increase in the sales volume of water-soluble polymers and pharmaceutical intermediates.

#### Super Absorbent Polymers

Net sales increased by 10.8% over the same period of the previous fiscal year to 38.217 billion yen, but operating income decreased by 13.4% to 2.967 billion yen, which was mainly because revised selling prices were not high enough to offset soaring raw materials and fuel costs.

#### Gases and Engineering

Net sales decreased by 0.6% from the same period of the previous fiscal year to 7.755 billion yen, while operating income increased by 22.1% to 0.854 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 decreased in volume.

# Outline of Consolidated Financial Statement for the Six Months Ended September 30, 2018 (Q2 FY2018)

November 6, 2018

Sumitomo Seika Chemicals Company, Limited

## 1. Consolidated Results

		6 months ended September 30		Y-o-y change	FY 2018 ending March 31, 2019
		FY 2017	FY 2018		
Net Sales	Million ¥	50,878	54,954	+4,075	116,000
Operating Income	Million ¥	4,799	4,801	+1	9,400
Ordinary Income	Million ¥	4,847	4,637	(210)	9,200
Net Income attributable to owners of the parent	Million ¥	3,499	3,145	(353)	6,000
Net Income Per Share for the Term	¥	253.71	228.05	(25.66)	435.03
Shareholder Return on Equity for the Term	%	5.8	4.8	(1.0)	9.0
Average Exchange Rate	¥/USD	111.08	110.27	-	110.00
Average Exchange Rate	¥/CNY	16.43	16.74	-	16.37
Naphtha Price	¥/KL	37,600	51,100	-	54,100

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

		6 months ended September 30		Y-o-y change	FY 2018 ending March 31, 2019
		FY 2017	FY 2018		
<b>Chemicals</b>					
Net Sales	Million ¥	8,582	8,980	+398	18,000
Operating Income	Million ¥	664	972	+308	1,800
<b>Super Absorbent Polymers</b>					
Net Sales	Million ¥	34,492	38,217	+3,725	81,000
Operating Income	Million ¥	3,427	2,967	(460)	5,700
<b>Gases and Engineering</b>					
Net Sales	Million ¥	7,803	7,755	(47)	17,000
Operating Income	Million ¥	699	854	+154	1,900
<b>(Elimination) Offsetting</b>					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	7	7	(0)	-
<b>Total</b>					
Net Sales	Million ¥	50,878	54,954	+4,075	116,000
Operating Income	Million ¥	4,799	4,801	+1	9,400