

## Consolidated Financial Results

For the Nine Months Ended December 31, 2020 (Q1, Q2 and Q3 FY2020)

Sumitomo Seika Chemicals Company, Ltd.

During the nine months ended December 31, 2020 (Q1, Q2 and Q3 fiscal 2020), the world economy, including Japan, continued to be in a severe situation with economic activities substantially reduced owing to the impact of the unabated global coronavirus pandemic.

Under the circumstances, the Sumitomo Seika Group's financial results for the nine months ended December 31, 2020 were as follows:

Net sales posted 75.264 billion yen, a 0.7% increase compared with the same period in the previous fiscal year;

Operating income was 7.632 billion yen, a 27.3% increase from the same period in the previous fiscal year;

Ordinary income recorded 7.499 billion yen, a 47.2% increase from the same period in the previous fiscal year;

Net income attributable to owners of the parent came to 5.608 billion yen, a 68.0% increase from the previous fiscal year.

Net income per share was 406.61 yen and return on equity (ROE) was 8.4%.

Incidentally, beginning the first quarter of fiscal 2020, the Company has changed its segment classification with respect to two of its Group companies as follows ;

- Seika Techno Services Co., Ltd., previously included in the "Functional Chemicals" segment, has been reclassified to the "Others" segment, as a result of a change in the Company's business management methods.
- Sumisei Technology (Yangzhou) Co., Ltd, previously included in the "Gases and Engineering" segment, has been reclassified to the "Others" segment, because the company discontinued manufacturing of gases products and is currently in the process of implementing a planned business transformation toward manufacturing functional chemicals.

The segment information for the first nine months of the previous fiscal year given below is based on the new segmental classifications incorporating the above changes.

### Super Absorbent Polymers

Net sales decreased by 0.1% from the same period of the previous fiscal year to 49.811 billion yen,

while operating income increased by 62.7% to 4.524 billion yen. The net sales stayed at the level of the previous year due to a fall in selling prices reflecting a drop in raw material prices, although sales volume increased mainly because of a movement of Chinese customers to prioritize procurement of raw materials for sanitary products. The operating income improvement was due to a fall in raw material prices as well as a rise in sales volume.

#### Functional Chemicals

Net sales increased by 2.6% from the same period of the previous fiscal year to 13.280 billion yen, and operating income also increased by 1.4% to 1.465 billion yen. This was attributable primarily to an increase in sales volume of water-soluble polymers and fine particulate polymers.

#### Gases and Engineering

Net sales grew by 3.3% over the same period of the previous fiscal year to 11.800 billion yen, while operating income decreased by 7.4% to 1.676 billion yen. The net sales increase was attributable to a rise in sales volume of electronics gases, etc., while the operating income decline was owing mainly to a decrease in demand for gases for food additives from restaurants that kept their operation reduced as a result of the ever spreading coronavirus infections.

#### Others

In addition to the above businesses, the Sumitomo Seika Group is engaged in temporary staffing agency service and other businesses. In this segment, net sales decreased by 25.2% from the same period of the previous fiscal year to 0.372 billion yen with operating loss of 0.042 billion yen.

#### Consolidated financial forecast for the fiscal year ending March 31, 2021

As shown below, the Company has revised the fiscal 2020 full-year consolidated financial forecasts.

For details, please refer to “ Notice of Revision to Full-Year Consolidated Financial Forecasts” released today concurrently.

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Fiscal 2020	100,000	9,500	9,500	6,500

#### Cautionary Statement

The forward-looking statements such as the forecasts included in this document are based on information available at the time and estimates based on reasonable assumptions, and do not represent a commitment from the Company that they will be achieved. The actual results figures may differ from the forecasts due to various factors. If the forecasts come to be revised, the Company will disclose the revision without delay.

# Outline of Consolidated Financial Statement

## For the Nine Months Ended December 31, 2020 (Q1, Q2 and Q3 FY2020)

February 3, 2021

Sumitomo Seika Chemicals Company, Limited

### 1. Consolidated Results

		9 months ended December 31		Y-o-y change	FY 2020 ending March 31, 2021
		FY 2019	FY 2020		
Net Sales	Million ¥	74,738	75,264	526	100,000
Operating Income	Million ¥	5,996	7,632	1,635	9,500
Ordinary Income	Million ¥	5,096	7,499	2,403	9,500
Net Income attributable to owners of the parent	Million ¥	3,338	5,608	2,269	6,500
Net Income Per Share for the Term	¥	242.06	406.61	164.55	471.29
Shareholder Return on Equity for the Term	%	5.2	8.4	3.2	9.7
Average Exchange Rate	¥/USD	108.68	106.12	-	105.46
Average Exchange Rate	¥/CNY	15.60	15.44	-	15.55
Naphtha Price	¥/KL	42,300	28,800	-	30,600

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

		9 months ended December 31		Y-o-y change	FY 2020 ending March 31, 2021
		FY 2019	FY 2020		
<b>Super Absorbent Polymers</b>					
Net Sales	Million ¥	49,867	49,811	(56)	66,500
Operating Income	Million ¥	2,779	4,524	1,744	5,400
<b>Functional Chemicals</b>					
Net Sales	Million ¥	12,950	13,280	330	17,500
Operating Income	Million ¥	1,445	1,465	20	1,900
<b>Gases and Engineering</b>					
Net Sales	Million ¥	11,422	11,800	378	15,500
Operating Income	Million ¥	1,810	1,676	(133)	2,250
<b>Others</b>					
Net Sales	Million ¥	498	372	(125)	500
Operating Income	Million ¥	(48)	(42)	5	(50)
<b>(Elimination) Offsetting</b>					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	9	8	(1)	-

Total					
Net Sales	Million ¥	74,738	<b>75,264</b>	526	100,000
Operating Income	Million ¥	5,996	<b>7,632</b>	1,635	9,500

(\*) Beginning the first quarter of fiscal 2020, the Company has changed its segment classification with respect to two of its Group companies as follows;

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The segment information for the first nine months of the previous fiscal year given above is based on the new segmental classifications incorporating the above changes.