

Consolidated Financial Results for Fiscal Year 2013

May 12, 2014

Sumitomo Seika Chemicals Company, Limited

During the twelve months ended March 31, 2014 (fiscal 2013), the Japanese economy showed a trend of a pickup in corporate revenues and consumer spending as a result of the correction of the yen's appreciation and a stock price hike that had been brought about by the government's fiscal measures and the Bank of Japan's enhanced monetary easing. On overseas fronts, advanced economies of Europe and the U.S. exhibited a certain degree of recovery, while the decelerating growth trend of emerging countries became conspicuous. All in all, the pace of economic recovery in Japan remained somewhat unsteady.

Under these circumstances, the Sumitomo Seika Group's financial results for fiscal year 2013 improved over the same period of the previous fiscal year as follows:

Net sales posted 94.911 billion yen, a 34.5% increase over the previous fiscal year;

Operating income was 8.056 billion yen, a 92.6% gain over the previous fiscal year;

Ordinary income reached 8.815 billion yen, an 87.9% higher than the previous fiscal year; and

Net income recorded 5.656 billion yen, an 81.2% growth over the previous fiscal year.

(Note) Change in the fiscal year closing date of consolidate subsidiaries

In order to ensure more appropriate management and information disclosure of Sumitomo Seika Group's financial performance, starting fiscal 2013, the fiscal year closing date of some of our consolidated subsidiaries outside Japan has been changed from December 31 to March 31, the closing date of our consolidated financial statements. As a result of this change, those subsidiaries' financial results for the fifteen-month period from January 1, 2013 to March 31, 2014 have been consolidated in the financial results of the current fiscal year.

Chemicals

Despite declined sales of fine chemicals products, this segment reported a 12.7% increase in net sales to 19.185 billion yen, and the improvement of 0.216 billion yen in operating loss to 0.083 billion yen, compared with the previous fiscal year, owing to sales increase of water-soluble polymers and fine particulate polymers.

Super Absorbent Polymers

Net sales posted 63.293 billion yen, a 54.2% increase over the previous fiscal year, and operating income amounted to 7.410 billion yen, a 103.3% increase over the previous fiscal year. If necessary adjustments were made to make a fair comparison in financial results between this

fiscal year and the previous fiscal year by excluding the actual financial performance for the term from January 1, 2013 to March 31, 2013 of those consolidated subsidiaries that have changed their fiscal closing date, net sales would be 58.476 billion yen, a 42.4% increase over the previous fiscal year, and operating income would be 6.839 billion yen, a 87.6% increase over the previous fiscal year, owing to such factors as financial contribution made throughout the entire fiscal year by a new plant at Himeji Works having become operational in January 2013 and the yen being weaker than the previous fiscal year.

Gases and Engineering

Net sales were 12.433 billion yen, a slight decline of 0.7%, and operating income recorded 0.718 billion yen, a 16.4% drop from the previous fiscal year, due to reduced sales of gas generators, affected by a sluggish demand in the Japanese market as well as further intensified price competition for electronic gases.

Forecast for Fiscal Year 2014

The economic outlook for fiscal year 2014 will likely remain volatile. Domestically, it is still uncertain whether or not the monetary easing programs of the Japanese government and the Bank of Japan, which aim to pull the country out of deflation, will continue to be effective until the growth strategy propelled by the administrative and fiscal reforms demonstrates its effect, bringing a virtuous cycle of economic upturn into motion. Overseas, there are concerns over the U.S. initiatives to taper Quantitative Easing and the instability of private and public financing in emerging countries, along with geopolitical risks that are being observed in certain parts of the world.

Against this backdrop, the Sumitomo Seika Group forecasts its financial performance for fiscal year 2014 as follows:

	(in million yen)
Sales	101,000
Operating Income	7,800
Ordinary Income	7,500
Net Income	5,100

*based on the assumption that exchange rate is 100 yen per dollar
and domestic naphtha price is 70,000 yen per kilo liter

Cautionary Statement

Statements made herein with respect to the Sumitomo Seika Group's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Seika Group. 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 markets of Sumitomo Seika Group companies; demand for, and competitive pricing pressure on Sumitomo Seika Group companies' products in the marketplace; Sumitomo Seika Group companies' ability to continue to win acceptance for their products in these highly competitive markets; and movements of currency exchange rates.

Outline of Consolidated Financial Statement for Fiscal Year 2013

May 12, 2014

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		Fiscal year ended March 31		Y-o-y change	FY 2014 ending March 31, 2015
		2012	2013		
Net Sales	Million ¥	70,591	94,911	+24,320	101,000
Operating Income	Million ¥	4,182	8,056	+3,873	7,800
Ordinary Income	Million ¥	4,692	8,815	+4,123	7,500
Net Income	Million ¥	3,121	5,656	+2,535	5,100
Net Income Per Share for the Term	¥	45.26	82.02	+36.76	73.95
Shareholder Return on Equity for the Term	%	8.8	13.5	+4.7	11.0
Average Exchange Rate	¥/USD	83.11	100.24	-	100.00
Naphtha Price	¥/KL	57,500	67,300	-	70,000

2. Net Sales and Operating Income By Business Segment

		Fiscal year ended March 31		Y-o-y change	FY 2014 ending March 31, 2015
		2012	2013		
Chemicals					
Net Sales	Million ¥	17,020	19,185	+2,164	20,000
Operating Income	Million ¥	(299)	(83)	+216	1,000
Super Absorbent Polymers					
Net Sales	Million ¥	41,054	63,293	+22,238	67,000
Operating Income	Million ¥	3,645	7,410	+3,764	6,200
Gases and Engineering					
Net Sales	Million ¥	12,516	12,433	(82)	14,000
Operating Income	Million ¥	859	718	(140)	600
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	(21)	10	32	-
Total					
Net Sales	Million ¥	70,591	94,911	+24,320	101,000
Operating Income	Million ¥	4,182	8,056	+3,873	7,800