

November 6 2017

Sumitomo Seika Chemicals Company, Limited

Notice of variances between Consolidated Financial Forecasts and Results for the Six Months Ended September 30, 2017 and Revisions to Full-Year Consolidated Financial Forecasts

Sumitomo Seika Chemicals Co., Ltd. (“the Company”) today announced variances between its forecast of consolidated financial results for the first six months of the year ending March 31, 2018 (April 1, 2017 through March 31, 2018), which was announced on May 16, 2017, and the actual results for the same period announced today.

The Company has also revised its consolidated financial forecast for the full-year ending March 31, 2018, as detailed below.

Variances between the forecast and the actual results of consolidated financial performance for the Half-Year Ended September 30, 2017 (April 1, 2017 to September 30, 2017).

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income Per Share (Yen)
Previous Forecast (A) (Announced on May16, 2017)	48,000	3,800	3,700	2,300	166.78
Actual Results (B)	50,878	4,799	4,847	3,499	253.71
Variance in Amount (B-A)	+2,878	+999	+1,147	+1,199	
Variance in Percentage (%)	+6.0	+26.3	+31.0	+52.1	
Results for Half-Year Ended September 30, 2016	47,464	5,237	3,840	2,380	172.59

Reasons for the Variances

During the first six months of the year ending March 31, 2018, net sales and income on all levels, namely, operating income, ordinary income, and net income, outperformed their earlier forecasts, as superabsorbent polymers sold steadily, the Gases and Engineering Segment posted increases in both sales and income due to strong demand in the semiconductor industry, and the yen stayed weaker than expected.

Revised Consolidated Forecast for the Full-Year Ending March 31, 2018

(Millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income attributable to owners of the parent	Net Income Per Share (Yen)
Previous Forecast (A) (Announced on May 16, 2017)	101,000	9,500	9,400	6,000	435.09
Revised Forecast (B)	104,000	10,000	9,900	6,500	471.28
Variance in Amount (B-A)	+3,000	+500	+500	+500	
Variance in Percentage (%)	+3.0	+5.3	+5.3	+8.3	
Results for Full-Year Ended March 31, 2016	98,857	10,541	10,006	5,739	416.16

Reasons for the Revisions

Although the financial results for the first six months of the year ending March 31, 2018 exceeded our previous forecasts, we have decided to revise our earlier financial forecasts for the full year as described above, in consideration of various recent developments, including rises in market prices of raw materials and fuels above their original forecasts. Our assumption for the second half is an average exchange rate of 110 yen per U.S. dollar and a Japanese naphtha price of 43,000 yen per kiloliter.

Cautionary Statement

The forecasts referred to in the above were made based on information currently available. They may, therefore, be different from the actual results to be determined later, depending on various circumstances and reasons.