

Consolidated Financial Results  
for Financial Results for Fiscal Year 2018

May 15, 2019

Sumitomo Seika Chemicals Company, Ltd.

During the twelve months ended March 31, 2019 (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 economies generally continued to show a moderate recovery, concern about future prospects developed toward the end of the fiscal year, given most notably a slowing trend of China's economy that had originated from the U.S. protectionist policies in trade.

Under these circumstances, the Sumitomo Seika Group's financial results for fiscal year 2018 were as follows:

Net sales posted 109.634 billion yen, a 3.5% increase compared with the same period in the previous fiscal year;

Operating income was 9.072 billion yen, a 6.8% decrease compared with the same period in the previous fiscal year;

Ordinary income amounted to 8.636 billion yen, a 13.1% decrease from the same period in the previous fiscal year;

Net income attributable to owners of the parent came to 604 million yen, a 91.0% decrease from the previous fiscal year.

#### Chemicals

Net sales increased by 1.9% over the same period of the previous fiscal year to 18.641 billion yen, and operating income increased by 13.8% to 2.140 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 4.0% over the same period of the previous fiscal year to 74.365 billion yen, but operating income decreased by 18.4% to 4.912 billion yen, which resulted, among others, from the decreased sales volume to China from the beginning of the new calendar year and the increased fixed cost related to operation of a new manufacturing plant in Korea.

#### Gases and Engineering

Net sales increased by 3.6% from the same period of the previous fiscal year to 16.627 billion yen, and operating income increased by 10.4% to 2.005 billion yen, which was mainly due to expanded sales from the engineering business.