

Consolidated Financial Results
for the Three Months Ended June 30, 2019 (Q1 FY2019)

August 2, 2019

Sumitomo Seika Chemicals Company, Ltd.

During the three months ended June 30, 2019 (Q1 fiscal 2019), the Japanese economy recovered moderately as consumer spending showed signs of picking up, though it lingered rather weak mainly in exports. Overseas, concern about economic prospects continued to prevail, given, among others, a slowing trend of China's economy that had been driven by the U.S. protectionist policies in trade.

Under these circumstances, the Sumitomo Seika Group's financial results for the three months ended June 30, 2019 were as follows:

Net sales posted 24.621 billion yen, a 9.5% decrease compared with the same period in the previous fiscal year;

Operating income was 1.859 billion yen, a 34.1% decrease from the same period in the previous fiscal year;

Ordinary income recorded 1.418 billion yen, a 46.2% decrease from the same period in the previous fiscal year;

Net income attributable to owners of the parent came to 0.965 billion yen, a 48.3% decrease from the previous fiscal year.

Chemicals

Net sales increased by 2.6% over the same period of the previous fiscal year to 4.546 billion yen, while operating income decreased by 16.5% to 0.476 billion yen. The decline in operating income was due mainly to an increase in R&D expenses.

Super Absorbent Polymers

Net sales decreased by 12.7% from the same period of the previous fiscal year to 16.549 billion yen, and operating income also decreased by 46.5% to 1.012 billion yen. This was attributable primarily to a decrease in both selling prices and sales volume in China as well as an impact of the weakening of the yuan.

Gases and Engineering

Net sales decreased by 7.7% from the same period of the previous fiscal year to 3.524 billion yen, while operating income increased by 4.2% to 0.367 billion yen. The decline in net sales was due to a decline in sale volume of electronic gases and other products, while the increase in operating income reflected mainly improvement in the profitability of the engineering business.

Outline of Consolidated Financial Statement for the Three Months Ended June 30, 2019 (Q1 FY2019)

August 2, 2019

Sumitomo Seika Chemicals Company, Limited

1. Consolidated Results

		3 months ended June 30		Y-o-y change	FY 2019 ending March 31, 2020
		FY 2018	FY 2019		
Net Sales	Million ¥	27,210	24,621	(2,589)	106,000
Operating Income	Million ¥	2,821	1,859	(961)	6,000
Ordinary Income	Million ¥	2,636	1,418	(1,217)	6,000
Net Income attributable to owners of the parent	Million ¥	1,868	965	(902)	4,500
Net Income Per Share for the Term	¥	135.44	69.98	(65.46)	326.27
Shareholder Return on Equity for the Term	%	2.9	1.5	(1.4)	7.1
Average Exchange Rate	¥/USD	109.08	109.91	-	110.00
Average Exchange Rate	¥/CNY	17.12	16.07	-	16.00
Naphtha Price	¥/KL	48,700	45,400	-	43,000

2. Net Sales and Operating Income By Business Segment

		3 months ended June 30		Y-o-y change	FY 2019 ending March 31, 2020
		FY 2018	FY 2019		
Chemicals					
Net Sales	Million ¥	4,432	4,546	+114	19,000
Operating Income	Million ¥	570	476	(94)	2,000
Super Absorbent Polymers					
Net Sales	Million ¥	18,958	16,549	(2,408)	71,000
Operating Income	Million ¥	1,893	1,012	(880)	2,300
Gases and Engineering					
Net Sales	Million ¥	3,819	3,524	(294)	16,000
Operating Income	Million ¥	352	367	+14	1,700
(Elimination) Offsetting					
Net Sales	Million ¥	-	-	-	-
Operating Income	Million ¥	3	3	(0)	-
Total					
Net Sales	Million ¥	27,210	24,621	(2,589)	106,000
Operating Income	Million ¥	2,821	1,859	(961)	6,000