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August 6, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Sumitomo Seika Chemicals Company, Limited.
 Listing: Tokyo Stock Exchange
 Securities code: 4008
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Jun. 30, 2025	35,569	(3.6)	2,340	(19.6)	1,607	(54.8)	1,045	(58.5)
Jun. 30, 2024	36,896	8.2	2,911	163.6	3,553	179.5	2,521	246.8

Note: Comprehensive income For the three months ended Jun. 30, 2025: ¥1,260 million [(75.3)%]
 For the three months ended Jun. 30, 2024: ¥5,099 million [33.5%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
Jun. 30, 2025	79.76	—
Jun. 30, 2024	189.61	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
Jun. 30, 2025	141,316	94,262	66.7
Mar. 31, 2025	141,532	94,312	66.6

Reference: Equity

As of Jun. 30, 2025: ¥94,262 million
 As of Mar. 31, 2025: ¥94,312 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2025	—	100.00	—	100.00	200.00
Fiscal year ending Mar. 31, 2026	—				
Fiscal year ending Mar. 31, 2026 (Forecast)		100.00	—	100.00	200.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Fiscal year ending Mar. 31, 2026	145,000	(1.7)	9,000	(16.0)	9,200	(17.2)	6,700	12.4	506.45 yen

Note: Revisions to the financial forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of specific accounting methods for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of Jun. 30, 2025	13,987,220 shares
As of Mar. 31, 2025	13,987,220 shares

(ii) Number of treasury shares at the end of the period

As of Jun. 30, 2025	880,645 shares
As of Mar. 31, 2025	880,645 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended Jun. 30, 2025	13,106,575 shares
Three months ended Jun. 30, 2024	13,299,921 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

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 Sumitomo Seika Group that they will be achieved. The actual financial results figures may differ from the forecasts due to various factors.

For details of assumptions for financial forecasts, please refer to “1. Qualitative Information on Financial Results (3) Consolidated Forecasts and Other Forward-Looking Information” on page 3 of the Attachment.

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1. Qualitative Information on Financial Results

(1) Operating Results

Consolidated Financial Results for the Three Months Ended June 30, 2025

Sumitomo Seika Chemicals Company, Limited (“the Company”) has announced its consolidated financial results for the three months ended June 30, 2025 as follows:

Net sales posted 35,569 million yen, a 3.6% decrease compared with the same period in the previous fiscal year;

Operating profit was 2,340 million yen, a 19.6% decline from the same period in the previous fiscal year;

Ordinary profit recorded 1,607 million yen, a 54.8% drop from the same period in the previous fiscal year;

Profit attributable to owners of the parent came to 1,045 million yen, 58.5% lower than the same period in the previous fiscal year.

Basic earnings per share were 79.76 yen and return on equity (ROE) was 1.1 %.

The financial results by business segment for the three months were as stated below:

Super Absorbent Polymers

Net sales decreased by 1.6% from the previous fiscal year to 27,931 million yen, and operating profit grew by 1.1% to 2,133 million yen. Despite unfavorable impacts of the appreciation of the yen, both net sales and operating profit remained on a par with the same period in the previous fiscal year due mainly to the increased sales volume in the Chinese market.

Functional Materials

Net sales decreased by 10.4% from the previous fiscal year to 7,567 million yen, and operating profit fell by 76.5% to 187 million yen. The decline in both net sales and operating profit were attributable primarily to the termination of the Company’s IR latex business during fiscal year 2024 ended March 31, 2025 and increased fixed costs.

Others

In addition to the above businesses, the Sumitomo Seika Group is engaged in contract manufacturing service and other businesses. In this segment, net sales increased by 12.2% from the previous fiscal year to 70 million yen with operating profit of 18 million yen.

(2) Financial Position

Total assets as of June 30, 2025 decreased by 216 million yen from the end of the previous fiscal year to 141,316 million yen.

Total current assets decreased by 1,036 million yen from the end of the previous fiscal year to 79,086 million yen. This was mainly due to decreases in trade receivables and in merchandise and finished goods.

Total non-current assets increased by 820 million yen from the end of the previous fiscal year to 62,229 million yen. This was mainly due to increases in construction in progress related to the expansion of a consolidated subsidiary’s super absorbent polymer production facility in Singapore.

Total liabilities decreased by 165 million yen from the end of the previous fiscal year to 47,053 million yen. This was mainly due to a decrease in accounts payable, despite an increase in borrowings.

Net assets decreased by 50 million yen from the end of the previous fiscal year to 94,262 million yen. As a result, the equity-to-asset ratio increased by 0.1 percentage points from the end of the previous fiscal year to 66.7%.

(3) Consolidated Forecasts and Other Forward-Looking Information

With respect to the Company's fiscal 2025 full-year consolidated financial forecasts, there is no change to the figures announced on May 12, 2025. Specifically, while Super Absorbent Polymers will grow in sales volume, the Company's total net sales, operating profit, and ordinary profit are expected to decrease owing mainly to the yen being anticipated to stay stronger than the previous fiscal year and to repercussions of the IR latex business termination. On the other hand, profit attributable to owners of the parent is expected to increase since the Company has recorded an extraordinary loss in the previous fiscal year in connection with repayment for the product mischarging and the posting of an impairment loss on certain products of the Company.

Fiscal Year 2025 consolidated financial forecasts are as shown below.

		FY2024 (Result)	FY2025 (Forecast)	Year-on-year changes
Net Sales	Million ¥	147,571	145,000	(2,571)
Operating Profit	Million ¥	10,712	9,000	(1,712)
Ordinary Profit	Million ¥	11,106	9,200	(1,906)
Profit Attributable to Owners of the Parent	Million ¥	5,961	6,700	739
Basic Earnings Per Share	¥	450.62	506.45	55.83
ROE	%	6.3	6.9	0.6pt
ROIC	%	7.0	5.7	(1.3pt)

(4) Research and Development Activities

Expenses related to research and development activities for the three months ended June 30, 2025 were 724 million yen.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,863	18,933
Notes and accounts receivable - trade, and contract assets	31,284	30,944
Merchandise and finished goods	21,168	20,842
Work in process	533	463
Raw materials and supplies	4,117	4,116
Other	6,172	3,804
Allowance for doubtful accounts	(17)	(18)
Total current assets	80,122	79,086
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,857	14,914
Machinery, equipment and vehicles, net	9,103	9,059
Construction in progress	20,060	20,558
Other, net	7,659	7,788
Total property, plant and equipment	51,682	52,320
Intangible assets	4,124	4,119
Investments and other assets		
Retirement benefit asset	2,551	2,710
Other	3,051	3,079
Total investments and other assets	5,602	5,790
Total non-current assets	61,409	62,229
Total assets	141,532	141,316
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,504	15,242
Short-term borrowings	13,328	15,093
Accounts payable - other	3,299	2,343
Provision for mischarging expenses	1,297	1,438
Income taxes payable	1,432	665
Provision for bonuses	942	457
Other	2,713	2,778
Total current liabilities	40,520	38,019
Non-current liabilities		
Long-term borrowings	5,000	7,200
Retirement benefit liability	661	717
Other	1,038	1,116
Total non-current liabilities	6,699	9,034
Total liabilities	47,219	47,053

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	9,732	9,732
Capital surplus	7,587	7,587
Retained earnings	69,685	69,419
Treasury shares	(3,203)	(3,203)
Total shareholders' equity	83,800	83,535
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	664	773
Deferred gains or losses on hedges	(215)	(262)
Foreign currency translation adjustment	8,613	8,687
Remeasurements of defined benefit plans	1,450	1,528
Total accumulated other comprehensive income	10,511	10,726
Total net assets	94,312	94,262
Total liabilities and net assets	141,532	141,316

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	36,896	35,569
Cost of sales	29,130	28,100
Gross profit	7,766	7,468
Selling, general and administrative expenses		
Freight-out	1,473	1,509
Employees' salaries and bonuses	823	860
Provision for bonuses	152	148
Retirement benefit expenses	21	29
Research and development expenses	668	712
Other	1,714	1,868
Total selling, general and administrative expenses	4,855	5,128
Operating profit	2,911	2,340
Non-operating income		
Interest income	148	95
Dividend income	15	12
Foreign exchange gains	496	—
Subsidy income	51	122
Other	13	18
Total non-operating income	726	248
Non-operating expenses		
Foreign exchange losses	—	880
Interest expenses	75	65
Other	9	35
Total non-operating expenses	85	981
Ordinary profit	3,553	1,607
Extraordinary income		
Insurance claim income	—	3
Total extraordinary income	—	3
Extraordinary losses		
Impairment losses	—	*1 192
Loss on retirement of non-current assets	11	11
Loss on disaster	*2 96	—
Total extraordinary losses	108	204
Profit before income taxes	3,445	1,406
Income taxes	923	361
Profit	2,521	1,045
Profit attributable to owners of the parent	2,521	1,045

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	2,521	1,045
Other comprehensive income		
Valuation difference on available-for-sale securities	59	109
Deferred gains or losses on hedges	—	(46)
Foreign currency translation adjustment	2,567	74
Remeasurements of defined benefit plans, net of tax	(49)	77
Total other comprehensive income	2,577	214
Comprehensive income	5,099	1,260
Comprehensive income attributable to		
Owners of the parent	5,099	1,260

(3) Notes to Quarterly Consolidated Financial Statements

Notes on Going Concern Assumptions

Not applicable

Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

Application of Specific Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements

(Deferment of cost variance)

Cost variance caused by seasonal changes in operation rates, etc. is deferred because it is expected to be eliminated for the most part by the end of the cost accounting period.

(Calculation of tax expenses)

Income tax expenses were calculated by multiplying profit before income taxes by an effective tax rate that was reasonably estimated after application of tax effect accounting to the profit before income taxes for the fiscal year.

Furthermore, income taxes - deferred are included in income taxes.

Notes on Quarterly Consolidated Balance Sheets

(Contingent Liabilities)

The Sumitomo Seika Group recorded a provision for repayment of product price mischarged at a consolidated subsidiary. Depending on future negotiation with customers, the consolidated financial results may be affected. However, it is difficult to reasonably estimate the potential impact at this moment.

Notes on Quarterly Consolidated Statement of Income

*1 Impairment losses

The Company recognized impairment losses related to manufacturing facilities, etc. for Powdered Polyethylene at its Chiba Works.

*2 Loss on disaster

The Company recorded a loss from damage caused by hailstorms that occurred in Hyogo Prefecture on April 16, 2024.

Notes on Segment Information, etc.

[Segment information]

Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on Quarterly Consolidated Statements of Income (Note 3)
	Super Absorbent Polymers	Functional Materials	Total				
Net sales							
Sales to external customers	28,391	8,442	36,834	62	36,896	—	36,896
Intersegment sales/transfers	—	13	13	200	214	(214)	—
Total	28,391	8,456	36,848	262	37,110	(214)	36,896
Segment profit (loss)	2,111	798	2,909	1	2,911	0	2,911

Notes: 1 “Others” represents operating segment that is not included in any reportable segment. “Others” includes contract manufacturing service and other services.

2 Segment profit (loss) in “Adjustment” refers to inter-segment elimination.

3 Total amount of segment profit (loss) has been adjusted with operating profit in the quarterly consolidated statements of income.

(2) Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

Not applicable

Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Information on net sales, profit or loss by reportable segment

(Millions of yen)

	Reportable Segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount on Quarterly Consolidated Statements of Income (Note 3)
	Super Absorbent Polymers	Functional Materials	Total				
Net sales							
Sales to external customers	27,931	7,567	35,498	70	35,569	—	35,569
Intersegment sales/transfers	—	12	12	197	210	(210)	—
Total	27,931	7,580	35,511	267	35,779	(210)	35,569
Segment profit (loss)	2,133	187	2,321	18	2,340	0	2,340

Notes: 1 “Others” represents operating segment that is not included in any reportable segment. “Others” includes contract manufacturing service and other services.

2 Segment profit (loss) in “Adjustment” refers to inter-segment elimination.

3 Total amount of segment profit (loss) has been adjusted with operating profit in the quarterly consolidated statements of income.

(2) Information regarding impairment losses of non-current assets or goodwill, etc. by reportable segment

In the Functional Materials segment, the Company recognized impairment losses of 192 million yen related to manufacturing facilities, etc. for Powdered Polyethylene at its Chiba Works, as the carrying amounts of the relevant assets were reduced to their recoverable amounts.

Notes on Quarterly Consolidated Statement of Cash Flows

The quarterly consolidated statement of cash flows for the three months ended June 30, 2025 has not been prepared.

Depreciation (including amortization) for the three months ended June 30, 2024 and 2025 is as follows.

(Millions of yen)

	Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Depreciation	1,570	1,306

Revenue Recognition

Breakdown of revenue from contracts with customers

Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Japan	5,990	3,870	9,861	52	9,913	—	9,913
Asia	4,554	3,264	7,818	—	7,818	—	7,818
China	10,353	431	10,785	10	10,795	—	10,795
Europe	2,477	655	3,132	—	3,132	—	3,132
North America	2,796	175	2,971	—	2,971	—	2,971
Others	2,219	45	2,265	—	2,265	—	2,265
Revenue from contracts with customers	28,391	8,442	36,834	62	36,896	—	36,896
Other revenue	—	—	—	—	—	—	—
Sales to external customers	28,391	8,442	36,834	62	36,896	—	36,896

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Goods and services transferred at a point in time	28,391	8,057	36,448	62	36,511	—	36,511
Goods and services transferred over time	—	385	385	—	385	—	385
Revenue from contracts with customers	28,391	8,442	36,834	62	36,896	—	36,896
Other revenue	—	—	—	—	—	—	—
Sales to external customers	28,391	8,442	36,834	62	36,896	—	36,896

Note: "Others" represents operating segment that is not included in any reportable segment. "Others" includes contract manufacturing service and other services.

Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Japan	5,604	4,166	9,770	34	9,804	—	9,804
Asia	4,142	2,070	6,212	—	6,212	—	6,212
China	10,159	466	10,626	36	10,662	—	10,662
Europe	3,154	586	3,740	—	3,740	—	3,740
North America	3,001	138	3,140	—	3,140	—	3,140
Others	1,868	138	2,007	—	2,007	—	2,007
Revenue from contracts with customers	27,931	7,567	35,498	70	35,569	—	35,569
Other revenue	—	—	—	—	—	—	—
Sales to external customers	27,931	7,567	35,498	70	35,569	—	35,569

(Millions of yen)

	Reportable Segment			Others (Note)	Total	Adjustment	Amount on Quarterly Consolidated Statements of Income
	Super Absorbent Polymers	Functional Materials	Total				
Goods and services transferred at a point in time	27,931	7,234	35,166	70	35,236	—	35,236
Goods and services transferred over time	—	332	332	—	332	—	332
Revenue from contracts with customers	27,931	7,567	35,498	70	35,569	—	35,569
Other revenue	—	—	—	—	—	—	—
Sales to external customers	27,931	7,567	35,498	70	35,569	—	35,569

Note: “Others” represents operating segment that is not included in any reportable segment. “Others” includes contract manufacturing service and other services.

3. Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025

(1) Consolidated Results

		Three months ended June. 30		Year-on-year changes	FY 2025 ending March 31, 2026 (Forecast)
		FY 2024	FY 2025		
Net Sales	Million ¥	36,896	35,569	(1,327)	145,000
Operating Profit	Million ¥	2,911	2,340	(571)	9,000
Ordinary Profit	Million ¥	3,553	1,607	(1,945)	9,200
Profit Attributable to Owners of the Parent	Million ¥	2,521	1,045	(1,476)	6,700
Basic Earnings Per Share	¥	189.61	79.76	(109.85)	506.45
ROE	%	2.6	1.1	(1.5pt)	6.9
Debt / Equity Ratio	Times	0.12	0.24	0.12	—
Average Exchange Rate	¥/USD	155.89	144.61	—	145.00
Average Exchange Rate	¥/CNY	21.48	19.99	—	19.50
Naphtha Price	¥/KL	79,000	66,300	—	65,000

(2) Net Sales and Operating Profit by Business Segment

		Three months ended June. 30		Year-on-year changes	FY 2025 ending March 31, 2026 (Forecast)
		FY 2024	FY 2025		
Super Absorbent Polymers					
Net Sales	Million ¥	28,391	27,931	(460)	113,900
Operating Profit	Million ¥	2,111	2,133	22	7,600
Functional Materials					
Net Sales	Million ¥	8,442	7,567	(874)	30,800
Operating Profit	Million ¥	798	187	(610)	1,400
Others					
Net Sales	Million ¥	62	70	7	300
Operating Profit	Million ¥	1	18	17	0
Adjustment					
Net Sales	Million ¥	—	—	—	—
Operating Profit	Million ¥	0	0	0	—
Total					
Net Sales	Million ¥	36,896	35,569	(1,327)	145,000
Operating Profit	Million ¥	2,911	2,340	(571)	9,000