

Financial Results of FY2011 Third Quarter



February 3, 2012



Sumitomo Chemical Co., Ltd.



(Cautionary Statement)

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



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Financial Summary

Unit; billions of yen

	FY2010 3rd Quarter (year to date)	FY2011 3rd Quarter (year to date)	Difference	Growth Rate
Net Sales	1,466.6	1,443.9	-22.6	-1.5%
Operating Income	79.3	58.3	-20.9	-26.4%
(Equity in earnings/losses of affiliates, included in ordinary income)	(8.4)	(-0.3)	(-8.8)	-
(Net loss on foreign currency transactions, included in ordinary income)	(-7.8)	(-5.9)	(1.9)	-
Ordinary Income	76.4	48.5	-27.9	-36.5%
Net Income	14.1	-11.3	-25.5	-
ROE	2.6%	-2.3%		
Naphtha Price (yen/KL)	45,800	55,200		
Exchange Rate (yen/USD)	86.85	78.98		



Net Sales by Business Segments

Unit; billions of yen

	FY2010 3rd Quarter (year to date)	FY2011 3rd Quarter (year to date)	Difference	Growth Rate	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	223.7	215.6	-8.1	-3.6%	11.0	-15.3	-3.8
Petrochemicals	477.8	491.6	13.8	2.9%	70.0	-34.3	-22.0
IT-related Chemicals	247.6	221.1	-26.5	-10.7%	-28.5	10.1	-8.1
Health & Crop Sciences	179.1	190.8	11.7	6.6%	0.0	19.8	-8.1
Pharmaceuticals	304.7	287.8	-16.9	-5.5%	0.0	-8.4	-8.4
Others	33.6	37.0	3.4	10.0%	0.0	3.4	0.0
Total	1,466.6	1,443.9	-22.6	-1.5%	52.5	-24.7	-50.4

*With the changes in reported segments classification methods as of April 1, 2011, the amount of the previous period has been modified for the purpose of reader's comparison. (All the segment information are modified in the same manner)



Results of Operations by Business Segments

Unit; billions of yen

	Basic Chemicals	Petrochemicals	IT-related Chemicals	Health & Crop Sciences	Pharmaceuticals	Others	Adjustments	Total
Operating Income								
FY2010 3rd Quarter(year to date)	16.8	10.0	25.9	16.3	26.3	1.7	-17.9	79.3
FY2011 3rd Quarter(year to date)	10.9	6.3	11.3	17.5	23.2	4.8	-15.7	58.3
Difference	-6.0	-3.7	-14.6	1.2	-3.1	3.1	2.2	-20.9
Price Variance	-3.0	5.0	-29.0	-2.0	0.0	0.0	0.0	-29.0
Sales Price Variance	11.0	70.0	-28.5	0.0	0.0	0.0	0.0	52.5
Purchase Price Variance	-14.0	-65.0	-0.5	-2.0	0.0	0.0	0.0	-81.5
Cost Variance	2.5	1.0	12.0	5.0	-5.5	0.0	1.5	16.5
VC	0.0	0.0	9.5	0.0	0.0	0.0	0.0	9.5
FC	2.5	1.0	2.5	5.0	-5.5	0.0	1.5	7.0
Shipping Volume Variance and other	-5.5	-9.7	2.4	-1.8	2.4	3.1	0.7	-8.4
Total	-6.0	-3.7	-14.6	1.2	-3.1	3.1	2.2	-20.9



Extraordinary Gains / Losses

Unit; billions of yen

	FY2010 3rd Quarter (year to date)	FY2011 3rd Quarter (year to date)	Difference
Gain on sale of property, plant and equipment	-	1.2	1.2
Gain on sale of investment securities	-	0.2	0.2
Extraordinary Gains	-	1.5	1.5
Equity in losses of affiliates	28.1	27.8	-0.3
Restructuring charges	2.1	2.9	0.8
Impairment loss	2.2	2.4	0.1
Extraordinary Losses	32.5	33.0	0.5
Extraordinary Gains / Losses	-32.5	-31.5	0.9



Consolidated Balance Sheets

Unit: billions of yen

	31-Mar-11	31-Dec-11		31-Mar-11	31-Dec-11
Current Assets	1,098.3	1,070.7	Liabilities	1,608.4	1,594.0
Cash and cash equivalents	151.6	151.4	Trade notes and accounts payable	228.0	227.8
Trade notes and accounts receivable	413.8	375.0	Interest-bearing Liabilities	1,040.3	1,052.6
Inventories	358.1	386.6	Others	340.1	313.7
Others	174.8	157.8	Net Assets	758.9	695.0
Non-current Assets	1,269.0	1,218.3	Shareholders' equity	603.9	572.7
Property, plant and equipment	552.5	582.8	Accumulated other comprehensive income	-81.5	-113.2
Intangible assets	184.8	148.6	Minority interests	236.4	235.4
Investment and other assets	531.7	486.9			
Total	2,367.3	2,289.0	Total	2,367.3	2,289.0
			Shareholders' equity ratio	22.1%	20.1%



Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2010 3rd Quarter (year to date)	FY2011 3rd Quarter (year to date)	Difference
Cash flows from operating activities	116.1	102.4	-13.6
Cash flows from investing activities	-121.1	-95.6	25.4
Free cash flows	-5.0	6.8	11.8
Cash flows from financing activities	31.1	-2.5	-33.6
Effect of exchange rate changes on cash and cash equivalents	-6.2	-4.5	1.8
Net change in cash and cash equivalents	19.8	-0.2	-20.0
Cash and cash equivalents (at December 31)	140.5	151.4	10.9



Major Subsidiaries

Company	Net Sales		Profit trends
	FY2010 3rd Quarter (year to date)	FY2011 3rd Quarter (year to date)	
The Polyolefin Company (Singapore) (millions of USD)	971	1,127	Decreased due to decline in sales from weakened demand, despite improved margins
Petrochemical Corporation of Singapore (millions of USD)	2,217	2,618	Decreased due to margin erosion
Rabigh Refining and Petrochemical Company (millions of SAR)	33,952	36,783	Decreased due to non-operating income incurred in the previous year
Dongwoo Fine-Chem (billions of KRW)	1,698	1,590	Decreased due to lower selling prices and unfavorable currency-exchange trends
Valent U.S.A. and Subsidiaries (millions of USD)	432	460	Remained due to higher sales volume despite lower selling price



Financial Estimates for Year

Unit; billions of yen

	Previous Estimates	Revised Estimates	Difference	Ratio
Net Sales	2,020.0	1,990.0	-30.0	-1.5%
Operating Income	75.0	65.0	-10.0	-13.3%
(Equity in earnings of affiliates, included in ordinary income)	(8.0)	(1.0)	(-7.0)	(-87.5%)
Ordinary Income	72.0	54.0	-18.0	-25.0%
Net Income	10.0	0	-10.0	-100.0%
ROE	2.0%	0.0%		
Naphtha Price (yen/KL)	55,500	54,500		
Exchange Rate (yen/USD)	79.00	79.00		
Projected Dividend on a full-year (yen)	12.00	9.00		



Estimates of Net Sales and Operating Income by Business Segments for year

Unit: billions of yen

	Net Sales			Operating Income		
	Previous Estimates	Revised Estimates	Difference	Previous Estimates	Revised Estimates	Difference
Basic Chemicals	300.0	290.0	-10.0	17.0	11.5	-5.5
Petrochemicals	710.0	695.0	-15.0	15.0	6.5	-8.5
IT-related Chemicals	300.0	300.0	0	13.0	11.5	-1.5
Health & Crop Sciences	275.0	270.0	-5.0	29.0	29.0	0
Pharmaceuticals	385.0	385.0	0	20.0	22.0	2.0
Others & Adjustments	50.0	50.0	0	-19.0	-15.5	3.5
Total	2,020.0	1,990.0	-30.0	75.0	65.0	-10.0