



Financial Results & Outlook for FY2013



May 15, 2013



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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1. Consolidated Financial Results for FY2012 Ended March 31, 2013





Financial Summary

Unit; billions of yen

	FY2011	FY2012	Difference	Ratio
Net Sales	1,947.9	1,952.5	4.6	0.2%
Operating Income	60.7	45.0	-15.7	-25.8%
(Equity in earnings of affiliates, included in ordinary income)	(2.0)	(5.4)	(3.5)	(173.7%)
(Net gain / loss on foreign currency transactions, included in ordinary income)	(-3.7)	(6.8)	(10.4)	-
Ordinary Income	50.7	50.3	-0.5	-0.9%
(Extraordinary Gain / Loss)	(-26.8)	(-37.9)	(-11.1)	-
(Income taxes)	(-8.3)	(-52.7)	(-44.4)	-
(Minority interests in income)	(-10.1)	(-10.7)	(-0.6)	-
Net Income	5.6	-51.1	-56.7	-
ROE	1.1%	-10.4%		
Naphtha Price (yen/KL)	54,900	57,500		
Exchange Rate (yen/US\$)	79.08	82.91		

Net Sales by Business Segments

Unit; billions of yen

	FY2011	FY2012	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	284.3	263.5	-20.8	-7.3%	-18.5	-2.2	-0.1
Petrochemicals	672.4	693.9	21.4	3.2%	-19.5	42.2	-1.3
IT-related Chemicals	293.1	300.0	6.9	2.4%	-23.5	32.7	-2.3
Health & Crop Sciences	264.1	262.6	-1.6	-0.6%	-2.5	4.0	-3.0
Pharmaceuticals	380.5	378.6	-1.9	-0.5%	-10.0	8.0	0
Others & Adjustments	53.4	54.0	0.6	1.1%	0	0.6	-0.0
Total	1,947.9	1,952.5	4.6	0.2%	-74.0	85.3	-6.7
Overseas Operations	1,009.0	1,043.8	34.9	3.5%			

Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	FY2011	FY2012					
Basic Chemicals	9.3	-6.4	-15.7	-14.0	2.0	-3.7	-15.7
PetroChemicals	6.2	-3.2	-9.4	-15.0	5.0	0.6	-9.4
IT-related Chemicals	11.0	11.7	0.7	-25.0	16.5	9.2	0.7
Health & Crop Sciences	26.5	26.3	-0.2	-3.0	-0.5	3.3	-0.2
Pharmaceuticals	20.9	30.9	9.9	-10.0	14.5	5.4	9.9
Others & Adjustments	-13.2	-14.2	-1.0	0.0	0.0	-1.0	-1.0
Total	60.7	45.0	-15.7	-67.0	37.5	13.8	-15.7

Major Cost Elements

Unit; billions of yen

	FY2011	FY2012	Difference
Labor Costs	275.6	267.7	-7.9
Maintenance Costs	53.8	51.4	-2.4
Depreciation and Amortization	114.9	115.5	0.6
Research & Development Expenses	122.3	125.0	2.7
Capital Expenditures	155.1	116.1	-38.9
Number of employees (as of March 31)	29,839	30,396	557

Extraordinary Gains / Losses

Unit: billions of yen

	FY2011	FY2012	Difference
Gain on step acquisitions	-	1.5	1.5
Gain on sale of investment securities	9.8	-	-9.8
Gain on sale of property, plant and equipment	1.4	-	-1.4
Extraordinary Gains	11.3	1.5	-9.7
Impairment loss	3.6	22.9	19.3
Restructuring charges	6.4	10.8	4.4
Loss on valuation of investment securities	-	4.7	4.7
Loss on litigation	-	1.1	1.1
Equity in losses of affiliates	26.0	-	-26.0
Environmental expenses	2.1	-	-2.1
Extraordinary Losses	38.0	39.4	1.4
Extraordinary Gains / Losses	-26.8	-37.9	-11.1



Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-12	31-Mar-13	Difference		31-Mar-12	31-Mar-13	Difference
Current Assets	1,102.1	1,108.8	6.7	Liabilities	1,616.1	1,724.6	108.6
Cash and cash equivalents	147.1	126.9	-20.1	Trade notes and accounts payable	227.8	256.1	28.4
Trade notes and accounts receivable	410.9	404.3	-6.6	Interest-bearing Liabilities	1,053.0	1,060.6	7.6
Inventories	382.4	410.5	28.1	Others	335.3	407.9	72.6
Others	161.7	167.1	5.3	Net Assets	720.9	747.5	26.6
Non-current Assets	1,234.9	1,363.3	128.4	Shareholders' equity	589.7	524.5	-65.1
Property, plant and equipment	594.9	640.2	45.3	Accumulated other comprehensive income	-103.4	-28.0	75.4
Intangible assets	142.2	185.1	42.9	Minority interests	234.7	251.0	16.3
Investment and other assets	497.8	537.9	40.1				
Total	2,337.0	2,472.1	135.1	Total	2,337.0	2,472.1	135.1

Shareholders' equity ratio	20.8%	20.1%	-0.7%
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2011	FY2012	Difference
Cash flows from operating activities	124.5	171.6	47.1
Cash flows from investing activities	-124.0	-165.8	-41.8
Free cash flows	0.5	5.8	5.3
Cash flows from financing activities	2.1	-36.0	-38.1
Effect of exchange rate changes on cash and cash equivalents	-3.0	8.9	11.9
Net change in cash and cash equivalents	-0.4	-21.3	-20.9
Cash and cash equivalents at end of year	147.1	126.9	-20.1



Major Subsidiaries

Company	Net Sales		Profit Trends
	FY2011	FY2012	
The Polyolefin Company (Singapore) (millions of USD)	1,512	1,344	Decreased due to margin erosion
Petrochemical Corporation of Singapore (millions of USD)	3,465	3,427	Decreased due to margin erosion
Rabigh Refining and Petrochemical Company (millions of SAR)	53,377	62,011	Increased due to higher sales volume
Dongwoo Fine-Chem (billions of KRW)	2,153	2,311	Increased due to higher sales volume and progress in cutting costs despite lower selling prices
Valent U.S.A. and Subsidiaries (millions of USD)	549	600	Increased due to higher sales volume



2. Outlook for FY2013

Financial Summary

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference	Ratio
Net Sales	1,952.5	2,350.0	397.5	20.4%
Operating Income	45.0	90.0	45.0	99.9%
(Equity in earnings of affiliates, included in ordinary income)	(5.4)	(10.0)	(4.6)	(84.0%)
Ordinary Income	50.3	90.0	39.7	79.1%
Net Income	-51.1	30.0	81.1	-
ROE	-10.4%	5.7%		
Naphtha Price (yen/KL)	57,500	65,000		
Exchange Rate (yen/USD)	82.91	95.00		

Net Sales by Business Segments

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	263.5	330.0	66.5	25.2%	28.5	25.0	13.0
Petrochemicals	693.9	850.0	156.1	22.5%	45.0	42.6	68.5
IT-related Chemicals	300.0	390.0	90.0	30.0%	-30.0	69.0	51.0
Health & Crop Sciences	262.6	335.0	72.4	27.6%	0	40.9	31.5
Pharmaceuticals	378.6	395.0	16.4	4.3%	0	-7.6	24.0
Others & Adjustments	54.0	50.0	-4.0	-7.4%	0	-4.0	0
Total	1,952.5	2,350.0	397.5	20.4%	43.5	166.0	188.0



Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	FY2012	FY2013 (estimated)					
Basic Chemicals	-6.4	0	6.4	2.5	-4.5	8.4	6.4
PetroChemicals	-3.2	5.0	8.2	1.0	2.0	5.2	8.2
IT-related Chemicals	11.7	34.0	22.3	-30.0	11.0	41.3	22.3
Health & Crop Sciences	26.3	34.0	7.7	-1.5	-4.0	13.2	7.7
Pharmaceuticals	30.9	32.0	1.1	0	10.0	-8.9	1.1
Others & Adjustments	-14.2	-15.0	-0.8	0	0	-0.8	-0.8
Total	45.0	90.0	45.0	-28.0	14.5	58.5	45.0

Major Cost Elements

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference
Labor Costs	267.7	281.5	13.8
Maintenance Costs	51.4	55.5	4.1
Depreciation and Amortization	115.5	113.0	-2.5
Research & Development Expenses	125.0	136.5	11.5
Capital Expenditures	116.1	144.0	27.9
Number of employees (as of March 31)	30,396	30,800	404



Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference
Cash flows from operating activities	171.6	200.0	28.4
Cash flows from investing activities	-165.8	-135.0	30.8
Free cash flows	5.8	65.0	59.2
Cash flows from financing activities	-36.0	-80.0	-44.0
Effect of exchange rate changes on cash and cash equivalents	8.9	0.0	-8.9
Net change in cash and cash equivalents	-21.3	-15.0	6.3
Interest-Bearing Debt Balance	1,060.6	1,020.0	-40.6



(Reference: Segment Information)

Net Sales by Business Segments

Unit: billions of yen

	FY2011				FY2012				FY2013 (estimated)	
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1st Half	2nd Half
Basic Chemicals	75.3	77.0	63.3	68.7	66.6	66.3	60.8	69.8	165.0	165.0
Petrochemicals	170.0	171.0	150.6	180.9	177.5	165.7	162.3	188.3	420.0	430.0
IT-related Chemicals	71.4	77.1	72.5	72.0	70.3	73.8	77.2	78.7	195.0	195.0
Health & Crop Sciences	71.5	67.0	52.3	73.3	67.2	52.6	50.5	92.3	150.0	185.0
Pharmaceuticals	102.5	90.7	94.6	92.7	96.8	97.4	98.2	86.2	190.0	205.0
Others & Adjustments	11.2	13.5	12.3	16.4	11.7	15.6	11.9	14.8	30.0	20.0
Total	501.9	496.4	445.6	504.0	490.0	471.4	460.9	530.2	1,150.0	1,200.0

Operating Income by Business Segments

Unit: billions of yen

	FY2011				FY2012				FY2013 (estimated)	
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q	1st Half	2nd Half
Basic Chemicals	7.0	5.5	-1.7	-1.5	-2.5	-0.0	-2.2	-1.6	0	0
Petrochemicals	5.8	2.0	-1.5	-0.1	0.1	-0.3	-1.4	-1.6	2.0	3.0
IT-related Chemicals	4.1	6.0	1.2	-0.4	1.2	1.3	4.8	4.5	18.0	16.0
Health & Crop Sciences	8.1	6.7	2.7	9.0	6.5	1.2	1.2	17.4	9.0	25.0
Pharmaceuticals	13.5	2.0	7.8	-2.3	12.6	10.5	14.1	-6.4	13.0	19.0
Others & Adjustments	-3.6	-3.0	-4.3	-2.3	-4.8	-1.1	-4.2	-4.0	-7.0	-8.0
Total	34.8	19.3	4.3	2.3	13.0	11.5	12.3	8.2	35.0	55.0

Capital Expenditures by Business Segments

Unit; billions of yen

	FY2011	FY2012	Difference
Basic Chemicals	24.5	33.0	8.5
Petrochemicals	19.6	14.1	-5.5
IT-related Chemicals	66.9	18.7	-48.2
Health & Crop Sciences	19.3	25.1	5.9
Pharmaceuticals	11.3	14.6	3.3
Others & Adjustments	13.4	10.6	-2.8
Total	155.1	116.1	-38.9



Depreciation and Amortization by Business Segments

Unit; billions of yen

	FY2011	FY2012	Difference
Basic Chemicals	14.2	15.5	1.3
Petrochemicals	14.1	13.7	-0.4
IT-related Chemicals	14.5	17.9	3.4
Health & Crop Sciences	14.6	15.3	0.7
Pharmaceuticals	42.3	37.1	-5.2
Others & Adjustments	15.1	15.9	0.8
Total	114.9	115.5	0.6

Research & Development Expenses by Business Segments

Unit; billions of yen

	FY2011	FY2012	Difference
Basic Chemicals	5.2	5.8	0.6
Petrochemicals	7.2	7.1	-0.1
IT-related Chemicals	11.7	12.3	0.6
Health & Crop Sciences	19.7	20.6	0.9
Pharmaceuticals	59.0	61.1	2.1
Others & Adjustments	19.5	18.1	-1.4
Total	122.3	125.0	2.7



Estimated Capital Expenditures by Business Segments

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference
Basic Chemicals	33.0	29.0	-4.0
Petrochemicals	14.1	13.5	-0.6
IT-related Chemicals	18.7	50.0	31.3
Health & Crop Sciences	25.1	14.5	-10.6
Pharmaceuticals	14.6	26.5	11.9
Others & Adjustments	10.6	10.5	-0.1
Total	116.1	144.0	27.9



Estimated Depreciation and Amortization by Business Segments

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference
Basic Chemicals	15.5	19.5	4.0
Petrochemicals	13.7	13.0	-0.7
IT-related Chemicals	17.9	23.0	5.1
Health & Crop Sciences	15.3	16.5	1.2
Pharmaceuticals	37.1	27.5	-9.6
Others & Adjustments	15.9	13.5	-2.4
Total	115.5	113.0	-2.5



Estimated Research & Development Expenses by Business Segments

Unit; billions of yen

	FY2012	FY2013 (estimated)	Difference
Basic Chemicals	5.8	7.0	1.2
Petrochemicals	7.1	8.0	0.9
IT-related Chemicals	12.3	14.5	2.2
Health & Crop Sciences	20.6	23.0	2.4
Pharmaceuticals	61.1	66.5	5.4
Others & Adjustments	18.1	17.5	-0.6
Total	125.0	136.5	11.5