



Financial Results & Outlook for FY2012



May 10, 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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1.Consolidated Financial Results for FY2011 Ended March 31, 2012



Financial Summary

Unit: billions of yen

	FY2010	FY2011	Difference	Growth Rate
Net Sales	1,982.4	1,947.9	-34.6	-1.7%
Operating Income	88.0	60.7	-27.3	-31.0%
(Equity in earnings of affiliates, included in ordinary income)	(10.8)	(2.0)	-8.8	-81.7%
(Net loss on foreign currency transactions, included in ordinary income)	(-6.6)	(-3.7)	(2.9)	-
Ordinary Income	84.1	50.7	-33.4	-39.7%
Net Income	24.4	5.6	-18.8	-77.1%
ROE	4.5%	1.1%		
Naphtha Price (yen/KL)	47,500	54,900		
Exchange Rate (yen/US\$)	85.74	79.08		



Net Sales by Business Segments

Unit; billions of yen

	FY2010	FY2011	Difference	Growth Rate	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	302.3	284.3	-17.9	-5.9%	6.5	-20.0	-4.4
Petrochemicals	649.9	672.4	22.5	3.5%	79.0	-30.3	-26.1
IT-related Chemicals	322.3	293.1	-29.2	-9.1%	-33.5	16.8	-12.5
Health & Crop Sciences	250.8	264.1	13.3	5.3%	0	23.1	-9.7
Pharmaceuticals	410.6	380.5	-30.1	-7.3%	0	-19.9	-10.2
Others & Adjustments	46.6	53.4	6.8	14.7%	0	6.8	0
Total	1,982.4	1,947.9	-34.6	-1.7%	52.0	-23.6	-62.9
Overseas Operations	1,056.7	1,009.0	-47.7	-4.5%			

*Segment information of the previous fiscal year is reclassified in accordance with the change in reported segments.



Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance			Cost Variance	Shipping Volume Variance and Other	Total
	FY2010	FY2011			Sales Price Variance	Purchase Price Variance			
Basic Chemicals	20.6	9.3	-11.3	-8.5	6.5	-15.0	5.0	-7.8	-11.3
Petro-Chemicals	11.1	6.2	-5.0	2.0	79.0	-77.0	2.0	-9.0	-5.0
IT-related Chemicals	26.1	11.0	-15.2	-34.5	-33.5	-1.0	16.5	2.8	-15.2
Health & Crop Sciences	23.3	26.5	3.2	-3.5	0	-3.5	7.5	-0.8	3.2
Pharmaceuticals	28.7	20.9	-7.7	0	0	0	-0.5	-7.2	-7.7
Others & Adjustments	-21.9	-13.2	8.7	0	0	0	2.0	6.7	8.7
Total	88.0	60.7	-27.3	-44.5	52.0	-96.5	32.5	-15.3	-27.3

Major Cost Elements

Unit; billions of yen

	FY2010	FY2011	Difference
Labor Costs	277.0	275.6	-1.4
Maintenance Costs	53.7	53.8	0.1
Depreciation and Amortization	147.0	114.9	-32.1
Research & Development Expenses	138.1	122.3	-15.9
Capital Expenditures	98.7	155.1	56.4
Number of employees (as of March 31)	29,382	29,839	457



Extraordinary Gains / Losses

Unit; billions of yen

	FY2010	FY2011	Difference
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	11.3
Equity in losses of affiliates	-	26.0	26.0
Restructuring charges	4.1	6.4	2.3
Impairment loss	3.2	3.6	0.3
Environmental expenses	-	2.1	2.1
Loss on disaster	1.1	-	-1.1
Extraordinary Losses	8.4	38.0	29.7
Extraordinary Gains / Losses	-8.4	-26.8	-18.4



Consolidated Balance Sheets

Unit: billions of yen

	31-Mar-11	31-Mar-12	Difference		31-Mar-11	31-Mar-12	Difference
Current Assets	1,098.3	1,102.1	3.7	Liabilities	1,608.4	1,616.1	7.6
Cash and cash equivalents	151.6	147.1	-4.6	Trade notes and accounts payable	228.0	227.8	-0.2
Trade notes and accounts receivable	413.8	410.9	-2.9	Interest-bearing Liabilities	1,040.3	1,053.0	12.6
Inventories	358.1	382.4	24.2	Others	340.1	335.3	-4.8
Others	174.8	161.7	-13.1	Net Assets	758.9	720.9	-38.0
Non-current Assets	1,269.0	1,234.9	-34.1	Shareholders' equity	603.9	589.7	-14.3
Property, plant and equipment	552.5	594.9	42.3	Accumulated other comprehensive income	-81.5	-103.4	-22.0
Intangible assets	184.8	142.2	-42.6	Minority interests	236.4	234.7	-1.7
Investment and other assets	531.7	497.8	-33.9				
Total	2,367.3	2,337.0	-30.4	Total	2,367.3	2,337.0	-30.4

Shareholders' equity ratio	22.1%	20.8%	-1.3%
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2010	FY2011	Difference
Cash flows from operating activities	176.2	124.5	-51.7
Cash flows from investing activities	-156.0	-124.0	32.0
Free cash flows	20.2	0.5	-19.7
Cash flows from financing activities	18.0	2.1	-15.9
Effect of exchange rate changes on cash and cash equivalents	-7.7	-3.0	4.7
Net change in cash and cash equivalents	30.6	-0.4	-31.0
Cash and cash equivalents at end of year	151.6	147.1	-4.6

Major Subsidiaries

Company	Net Sales		Profit Trends
	FY2010	FY2011	
The Polyolefin Company (Singapore) (millions of USD)	1,342	1,512	Decreased due to lower sales volume caused by weakened demand and margin erosion
Petrochemical Corporation of Singapore (millions of USD)	3,023	3,465	Decreased due to margin erosion
Rabigh Refining and Petrochemical Company (millions of SAR)	46,838	53,377	Decreased due to non-operating income incurred in the previous year
Dongwoo Fine-Chem (billions of KRW)	2,249	2,153	Decreased due to lower selling prices and unfavorable currency-exchange trends
Valent U.S.A. and Subsidiaries (millions of USD)	495	549	Increased due to higher sales volume despite lower selling price

2. Outlook for FY2012

Financial Summary

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference	Growth Rate
Net Sales	1,947.9	2,230.0	282.1	14.5%
Operating Income	60.7	90.0	29.3	48.3%
(Equity in earnings of affiliates, included in ordinary income)	(2.0)	(16.0)	(14.0)	705.6%
Ordinary Income	50.7	95.0	44.3	87.3%
Net Income	5.6	40.0	34.4	615.9%
ROE	1.1%	7.8%		
Naphtha Price (yen/KL)	54,900	65,000		
Exchange Rate (yen/US\$)	79.08	82.50		

Net Sales by Business Segments

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference	Growth Rate	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	284.3	310.0	25.7	9.0%	5.5	18.2	2.0
Petrochemicals	672.4	830.0	157.6	23.4%	48.0	97.6	12.0
IT-related Chemicals	293.1	360.0	66.9	22.8%	-24.0	85.9	5.0
Health & Crop Sciences	264.1	290.0	25.9	9.8%	1.5	24.4	0
Pharmaceuticals	380.5	380.0	-0.5	-0.1%	-10.0	5.5	4.0
Others	53.4	60.0	6.6	12.4%	0	6.6	0
Total	1,947.9	2,230.0	282.1	14.5%	21.0	238.1	23.0



Operating Income by Business Segments

	Operating Income		Difference	Price Variance			Cost Variance	Shipping Volume Variance and Other	Total
	FY2011	FY2012 (estimated)		Sales Price Variance	Purchase Price Variance				
Basic Chemicals	9.3	9.0	-0.3	-4.0	5.5	-9.5	-1.0	4.7	-0.3
Petro-Chemicals	6.2	11.0	4.8	-6.5	48.0	-54.5	0.5	10.8	4.8
IT-related Chemicals	11.0	24.0	13.0	-29.5	-24.0	-5.5	16.0	26.5	13.0
Health & Crop Sciences	26.5	34.0	7.5	-1.0	1.5	-2.5	-1.0	9.5	7.5
Pharmaceuticals	20.9	27.0	6.1	-10.0	-10.0	0	14.0	2.1	6.1
Others & Adjustments	-13.2	-15.0	-1.8	0	0	0	-0.5	-1.3	-1.8
Total	60.7	90.0	29.3	-51.0	21.0	-72.0	28.0	52.3	29.3

Unit; billions of yen



Net Sales and Operating Income by Business Segments

Unit; billions of yen

	Net Sales			Operating Income		
	1st Half of FY2012	2nd Half of FY2012	FY2012 (estimated)	1st Half of FY2012	2nd Half of FY2012	FY2012 (estimated)
Basic Chemicals	150.0	160.0	310.0	3.0	6.0	9.0
Petro-Chemicals	390.0	440.0	830.0	1.0	10.0	11.0
IT-related Chemicals	160.0	200.0	360.0	6.0	18.0	24.0
Health & Crop Sciences	130.0	160.0	290.0	12.0	22.0	34.0
Pharmaceuticals	190.0	190.0	380.0	14.0	13.0	27.0
Others & Adjustments	30.0	30.0	60.0	-6.0	-9.0	-15.0
Total	1,050.0	1,180.0	2,230.0	30.0	60.0	90.0

Major Cost Elements

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference
Labor Costs	275.6	273.0	-2.6
Maintenance Costs	53.8	53.0	-0.8
Depreciation and Amortization	114.9	119.0	4.1
Research & Development Expenses	122.3	130.0	7.7
Capital Expenditures	155.1	132.0	-23.1
Number of employees (as of March 31)	29,839	31,300	1,461



Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference
Cash flows from operating activities	124.5	160.0	35.5
Cash flows from investing activities	-124.0	-155.0	-31.0
Free cash flows	0.5	5.0	4.5
Cash flows from financing activities	2.1	-5.0	-7.1
Effect of exchange rate changes on cash and cash equivalents	-3.0	0	3.0
Net change in cash and cash equivalents	-0.4	0	0.4
Interest-Bearing Debt Balance	1,053.0	1,070.0	17.0

(Reference: Segment Information)

Capital Expenditures by Business Segments

Unit; billions of yen

	FY2010	FY2011	Difference
Basic Chemicals	16.6	24.5	7.9
Petrochemicals	13.7	19.6	5.9
IT-related Chemicals	27.7	66.9	39.1
Health & Crop Sciences	15.6	19.3	3.7
Pharmaceuticals	10.5	11.3	0.9
Others & Adjustments	14.6	13.5	-1.1
Total	98.7	155.1	56.4



Depreciation and Amortization by Business Segments

Unit; billions of yen

	FY2010	FY2011	Difference
Basic Chemicals	21.2	14.2	-7.0
Petrochemicals	18.4	14.1	-4.3
IT-related Chemicals	20.3	14.5	-5.7
Health & Crop Sciences	22.3	14.6	-7.6
Pharmaceuticals	47.2	42.3	-4.9
Others & Adjustments	17.7	15.1	-2.6
Total	147.0	114.9	-32.1



Research & Development Expenses by Business Segments

Unit; billions of yen

	FY2010	FY2011	Difference
Basic Chemicals	5.1	5.2	0.1
Petrochemicals	7.6	7.2	-0.4
IT-related Chemicals	11.6	11.7	0.1
Health & Crop Sciences	21.6	19.7	-1.9
Pharmaceuticals	71.2	59.0	-12.2
Others & Adjustments	21.1	19.5	-1.6
Total	138.1	122.3	-15.9



Estimated Capital Expenditures by Business Segments

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference
Basic Chemicals	24.5	40.5	16.0
Petrochemicals	19.6	24.0	4.4
IT-related Chemicals	66.9	17.0	-49.9
Health & Crop Sciences	19.3	26.0	6.7
Pharmaceuticals	11.3	14.5	3.2
Others & Adjustments	13.5	10.0	-3.5
Total	155.1	132.0	-23.1



Estimated Depreciation and Amortization by Business Segments

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference
Basic Chemicals	14.2	16.0	1.8
Petrochemicals	14.1	14.0	-0.1
IT-related Chemicals	14.5	19.0	4.5
Health & Crop Sciences	14.6	15.0	0.4
Pharmaceuticals	42.3	39.0	-3.3
Others & Adjustments	15.1	16.0	0.9
Total	114.9	119.0	4.1



Estimated Research & Development Expenses by Business Segments

Unit; billions of yen

	FY2011	FY2012 (estimated)	Difference
Basic Chemicals	5.2	6.5	1.3
Petrochemicals	7.2	8.0	0.8
IT-related Chemicals	11.7	11.5	-0.2
Health & Crop Sciences	19.7	21.5	1.8
Pharmaceuticals	59.0	63.5	4.5
Others & Adjustments	19.5	19.0	-0.5
Total	122.3	130.0	7.7