



Financial Results of FY2010 Third Quarter



Feb.3,2011



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

	FY2009 3rd Quarter (year to date)	FY2010 3rd Quarter (year to date)	Difference	Growth
Net Sales	1,142.7	1,466.6	323.9	28.3%
Operating Income	29.8	79.3	49.4	165.7%
(Equity in earnings of affiliates, included in ordinary income)	(Δ6.6)	(8.4)	(15.0)	-
(Net loss on foreign currency transactions in ordinary income)	(Δ1.1)	(Δ7.8)	(Δ6.7)	-
Ordinary Income	19.6	76.4	56.7	288.6%
Net Income	1.2	14.1	12.9	-
ROE	0.2%	2.6%		
Naphtha Price (yen/KL)	39,000	45,800		
Exchange Rate (yen/US\$)	93.61	86.85		



Net Sales by Business Segments

Unit: billions of yen

	FY2009 3rd Quarter (year to date)	FY2010 3rd Quarter (year to date)	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	143.6	182.9	39.3	27.4%	21.5	17.8
Petrochemicals	337.6	477.8	140.2	41.5%	65.0	75.2
Fine Chemicals	62.4	66.9	4.4	7.1%	0.0	4.4
IT-related Chemicals	189.4	247.6	58.2	30.7%	Δ18.0	76.2
Agricultural Chemicals	150.1	153.1	3.0	2.0%	Δ2.0	5.0
Pharmaceuticals	181.8	270.1	88.3	48.6%	Δ13.0	101.3
Others	77.7	68.2	Δ9.5	Δ12.3%	0.0	Δ9.5
Total	1,142.7	1,466.6	323.9	28.3%	53.5	270.4

*The figures for the third quarter ended December 31, 2009 have been adjusted to reflect accounting changes applied from the beginning of the third quarter ended December 31, 2010.



Results of Operations by Business Segments

Unit; billions of yen

	Basic Chemicals	Petro-chemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Adjustments	Total
Operating Income									
FY2009 3rd Quarter (year to date)	Δ 0.6	Δ 3.8	0.9	1.4	18.2	27.9	3.2	Δ 17.4	29.8
FY2010 3rd Quarter (year to date)	15.9	10.0	1.5	25.9	15.6	24.8	3.2	Δ 17.7	79.3
Difference	16.5	13.8	0.6	24.5	Δ 2.6	Δ 3.1	Δ 0.0	Δ 0.3	49.4
Price Variance	9.0	5.5	0.0	Δ 18.0	Δ 2.5	Δ 13.0	0.0	0.0	Δ 19.0
Sales Price Variance	21.5	65.0	0.0	Δ 18.0	Δ 2.0	Δ 13.0	0.0	0.0	53.5
Purchase Price Variance	Δ 12.5	Δ 59.5	0.0	0.0	Δ 0.5	0.0	0.0	0.0	Δ 72.5
Cost Variance	0.0	3.0	Δ 1.5	16.5	Δ 5.0	Δ 81.5	0.0	Δ 1.0	Δ 69.5
VC	0.0	0.0	0.0	16.5	0.5	0.0	0.0	0.0	17.0
FC	0.0	3.0	Δ 1.5	0.0	Δ 5.5	Δ 81.5	0.0	Δ 1.0	Δ 86.5
Shipping Volume Variance	7.5	5.3	2.1	26.0	4.9	91.4	Δ 0.0	0.7	137.9
Total	16.5	13.8	0.6	24.5	Δ 2.6	Δ 3.1	Δ 0.0	Δ 0.3	49.4

*The figures for the third quarter ended December 31, 2009 have been adjusted to reflect accounting changes applied from the beginning of the third quarter ended December 31, 2010.



Extraordinary Gains / Losses

Unit; billions of yen

	FY2009 3rd Quarter (year to date)	FY2010 3rd Quarter (year to date)	Difference
Gain on sales of investment securities	5.3	-	Δ5.3
Extraordinary Gains	5.3	-	Δ5.3
Equity in losses of affiliates	-	28.1	28.1
Impairment loss on fixed assets	-	2.2	2.2
Restructuring charges	0.9	2.1	1.2
Extraordinary Losses	0.9	32.5	31.6
Extraordinary Gains / Losses	4.4	Δ32.5	Δ36.9



Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-10	31-Dec-10		31-Mar-10	31-Dec-10
Current Assets	1,013.5	1,042.5	Liabilities	1,562.5	1,545.9
Cash and cash equivalents	120.7	140.5	Trade notes and accounts	214.6	212.4
Trade notes and accounts	382.5	382.8	Short-term debt	349.5	319.8
Inventories	355.7	365.2	Long-term debt due within one year	55.7	75.7
Others	154.7	154.0	Long-term debt due after one year	592.8	649.9
Non-current Assets	1,370.4	1,261.9	Others	349.9	288.1
Property, plant and equipment	581.8	555.1	Net Assets	821.4	758.6
Intangible assets	249.7	195.5	Shareholders' equity	601.5	593.7
Investment securities	394.5	378.8	Valuation and translation adjustments	Δ26.2	Δ74.2
Others	144.3	132.5	Minority interests	246.1	239.0
Total	2,383.9	2,304.4	Total	2,383.9	2,304.4

Interest-bearing debt balance	997.9	1,045.4
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2009 3rd Quarter (year to date)	FY2010 3rd Quarter (year to date)	Difference
Cash flows from operating activities	83.4	116.1	32.7
Cash flows from investing activities	Δ268.1	Δ121.1	147.0
Free cash flows	Δ184.7	Δ5.0	179.7
Cash flows from financing activities	236.9	31.1	Δ205.8
Effect of exchange rate changes on cash and cash equivalents	Δ0.4	Δ6.2	Δ5.8
Net change in cash and cash equivalents	51.8	19.8	Δ31.9
Cash and cash equivalents (at December 31)	139.0	140.5	1.5



Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY2009 3rd Quarter (year to date)	FY2010 3rd Quarter (year to date)	
The Polyolefin Company (Singapore)	66.3	86.9	Increased because of better margins due to higher market prices
Petrochemical Corporation of Singapore	143.6	198.4	Increased because of better margins due to higher prices, as well as stronger shipments
Dongwoo Fine-Chem	101.2	130.7	Increased because of stronger shipments
Valent U.S.A. and Subsidiaries	36.8	38.6	Slightly decreased because increased sales were insufficient to offset increased expenses
Rabigh Refining and Petrochemical Company	484.0	811.5	Increased due to the full-fledged contribution