

Creative Hybrid Chemistry For a Better Tomorrow

November 30, 2011



Masakazu Tokura
President

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Overview of FY2011 Performance



Outlook for FY2011

(Billions of yen)

	FY2010	FY2011	Change
Sales	1,982.4	2,020.0	+37.6
Operating Income	88.0	75.0	-13.0
Ordinary Income	84.1	72.0	-12.1
Net Income	24.4	10.0	-14.4
Naphtha Price	¥47,500/kl	¥55,500/kl	
Exchange Rate	¥85.74/US\$	¥79.00/US\$	

FY 2010 Full-Year Forecast by Sector

(Billions of yen)

		FY2010	FY2011 (Forecast)	Change
Basic Chemicals	Sales	302.3	300.0	-2.3
	Op. Income	20.6	17.0	-3.6
Petrochemicals & Plastics	Sales	649.9	710.0	+60.1
	Op. Income	11.1	15.0	+3.9
IT-related Chemicals	Sales	322.3	300.0	-22.3
	Op. Income	26.1	13.0	-13.1
Health & Crop Sciences	Sales	250.8	275.0	+24.2
	Op. Income	23.3	29.0	+5.7
Pharmaceuticals	Sales	410.6	385.0	-25.6
	Op. Income	28.7	20.0	-8.7
Others	Sales	46.6	50.0	+3.4
	Op. Income	-21.9	-19.0	+2.9
Total	Sales	1,982.4	2,020.0	+37.6
	Op. Income	88.0	75.0	-13.0

FY 2010 First Half Results

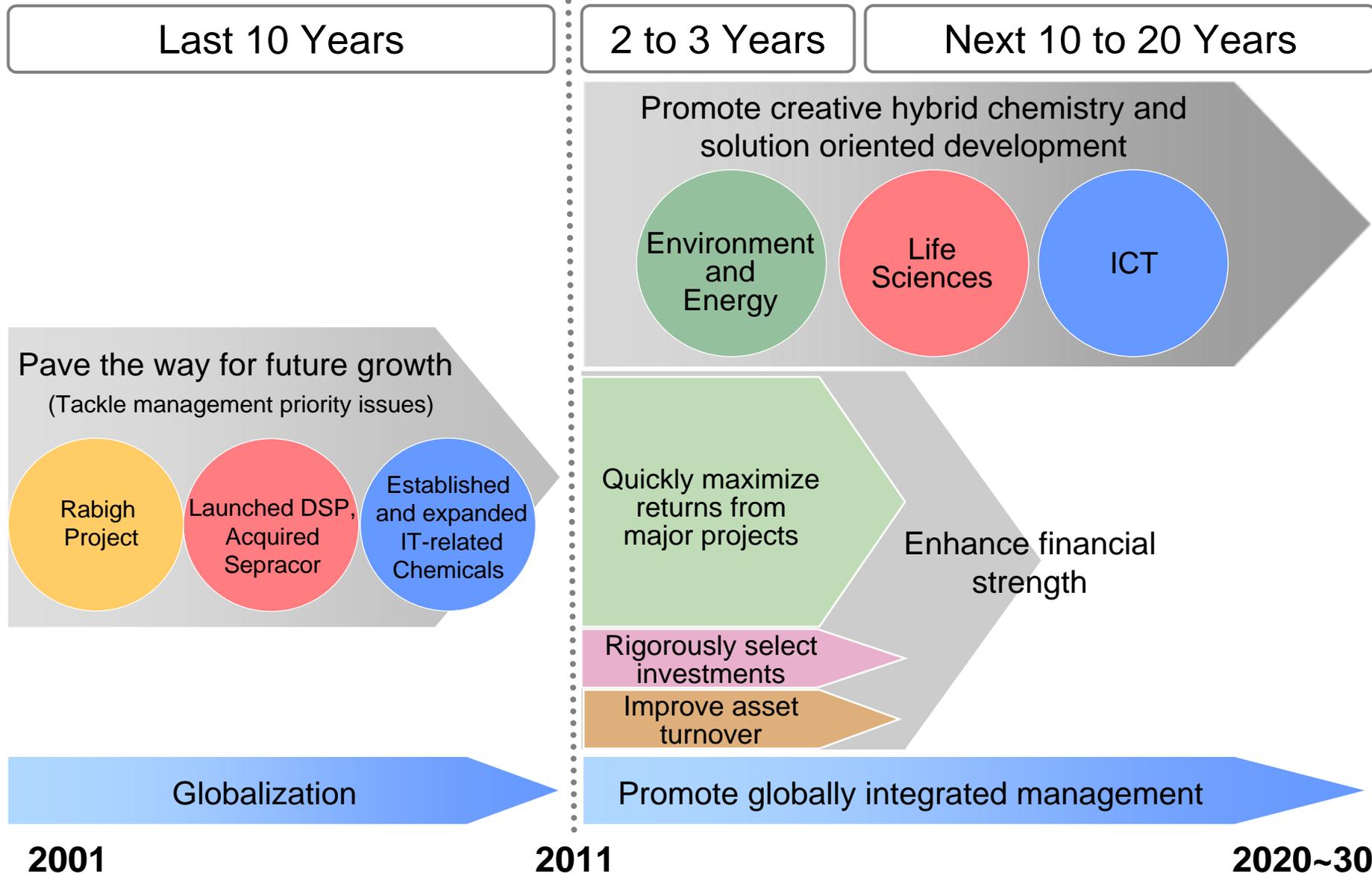
(Billions of yen)

	FY 2010.1H	FY 2011.1H	Change
Sales	989.2	998.3	+9.0
Operating Income	53.0	54.0	+1.0
Equity in Earnings of Affiliates	7.5	1.0	-6.5
Ordinary Income	52.1	49.0	-3.1
Extraordinary Gains/Losses	-29.6	-28.4	+1.2
Income Taxes	-10.9	-13.9	-3.0
Minority Interests	-9.1	-9.4	-0.3
Net Income	2.5	-2.7	-5.2
Naphtha Price	¥46,200/kl	¥57,000/kl	
Exchange Rate	¥88.91/US\$	¥79.75/US\$	
Interim Dividend	¥3/Share	¥6/Share	

Sumitomo Chemical's Current Position



Sumitomo Chemical's Current Position



Review of Major Strategic Initiatives Over the Last 10 Years



Management Priority Issues Over the Last 10 Years

Last 10 Years

2 to 3 Years

Next 10 to 20 Years

Pave the way for future growth

(Tackle management priority issues)

Rabigh Project

Launched DSP,
Acquired
Sepracor

Established
and expanded
IT-related
Chemicals

Globalization

Promote creative hybrid chemistry and
solution oriented development

Environment
and
Energy

Life
Sciences

ICT

Quickly maximize
returns from
major projects

Enhance financial
strength

Rigorously select
investments

Improve asset
turnover

Promote globally integrated management

2001

2011

2020~30

Results Achieved in Major Projects

**Management
Priority
Issues**

**Strengthen
fundamentals of
petrochemicals
business**

**Gain critical mass in
pharma business to
achieve strong growth**

**Develop
new core business**

**Major
Projects**

Implementation of
Rabigh Project

Launch of Dainippon
Sumitomo Pharma,
acquisition of
Sepracor in US

Establishment and
expansion of
IT-related Chemicals
Sector

Investment

Approx. ¥166.0 bn
(equity investment and
lending)
Total project cost \$10.1 bn

Approx. ¥219.0 bn
(increased shareholding
and acquisition)

Approx. ¥355.0 bn
(cumulative capital
expenditures
in 10 years since inception)

Results

**Sales
(FY00→FY10)**

**Petrochemicals &
Plastics Sector**
(¥375.5 bn → ¥649.9 bn)

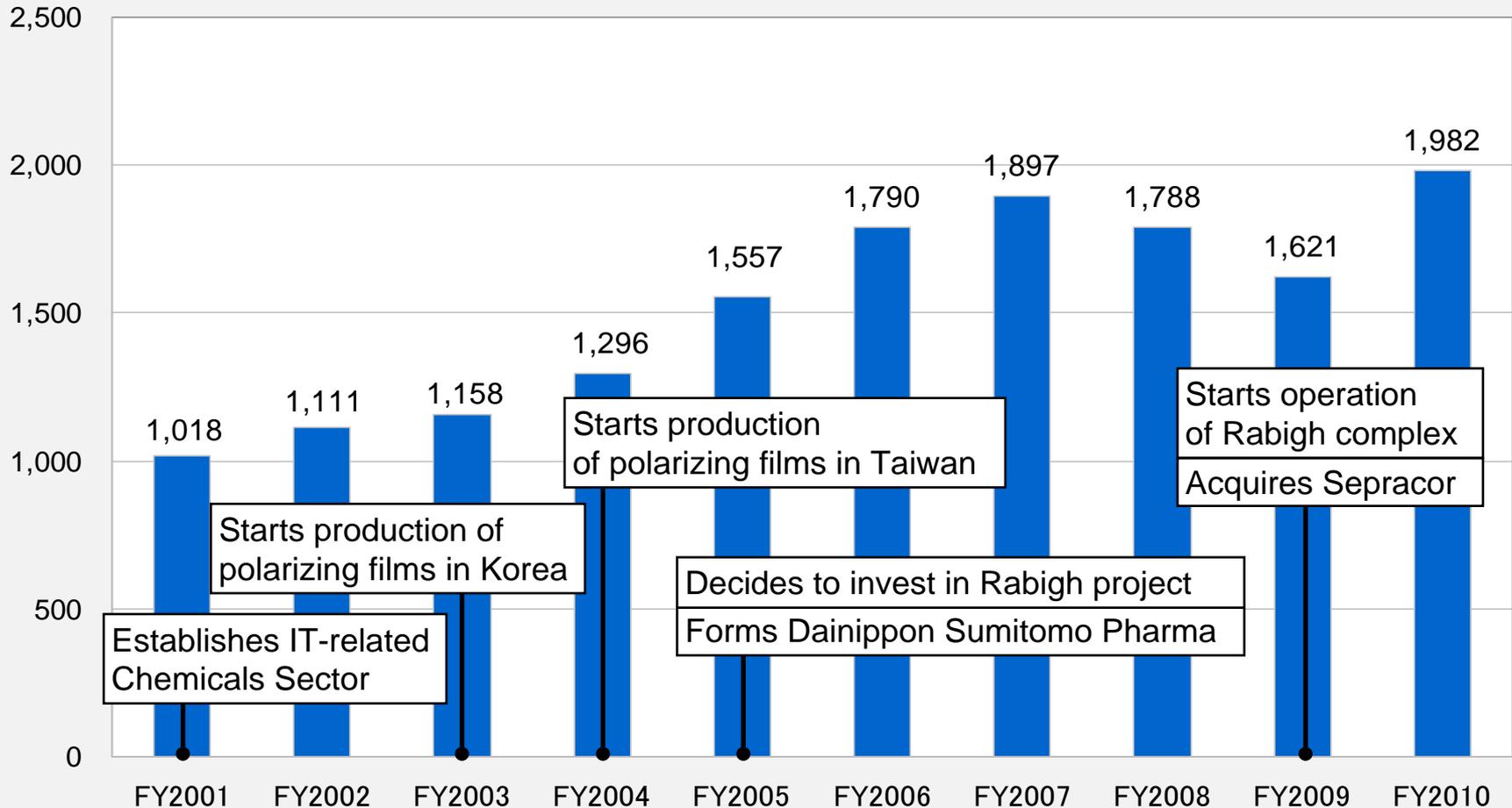
**Pharmaceuticals
Sector**
(¥156.7 bn → ¥365.9 bn)

**IT-related Chemicals
Sector**
(¥60.2 bn → ¥322.3 bn)

Expansion in the Last Ten Years

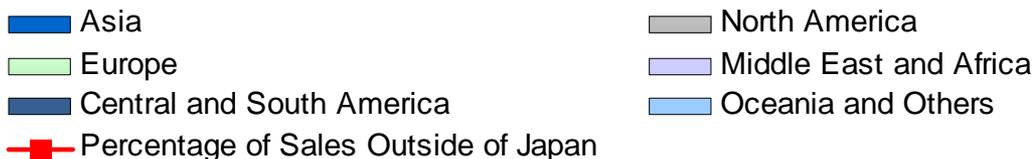
Sales

(Billions of yen)



Globalization in the Last 10 Years

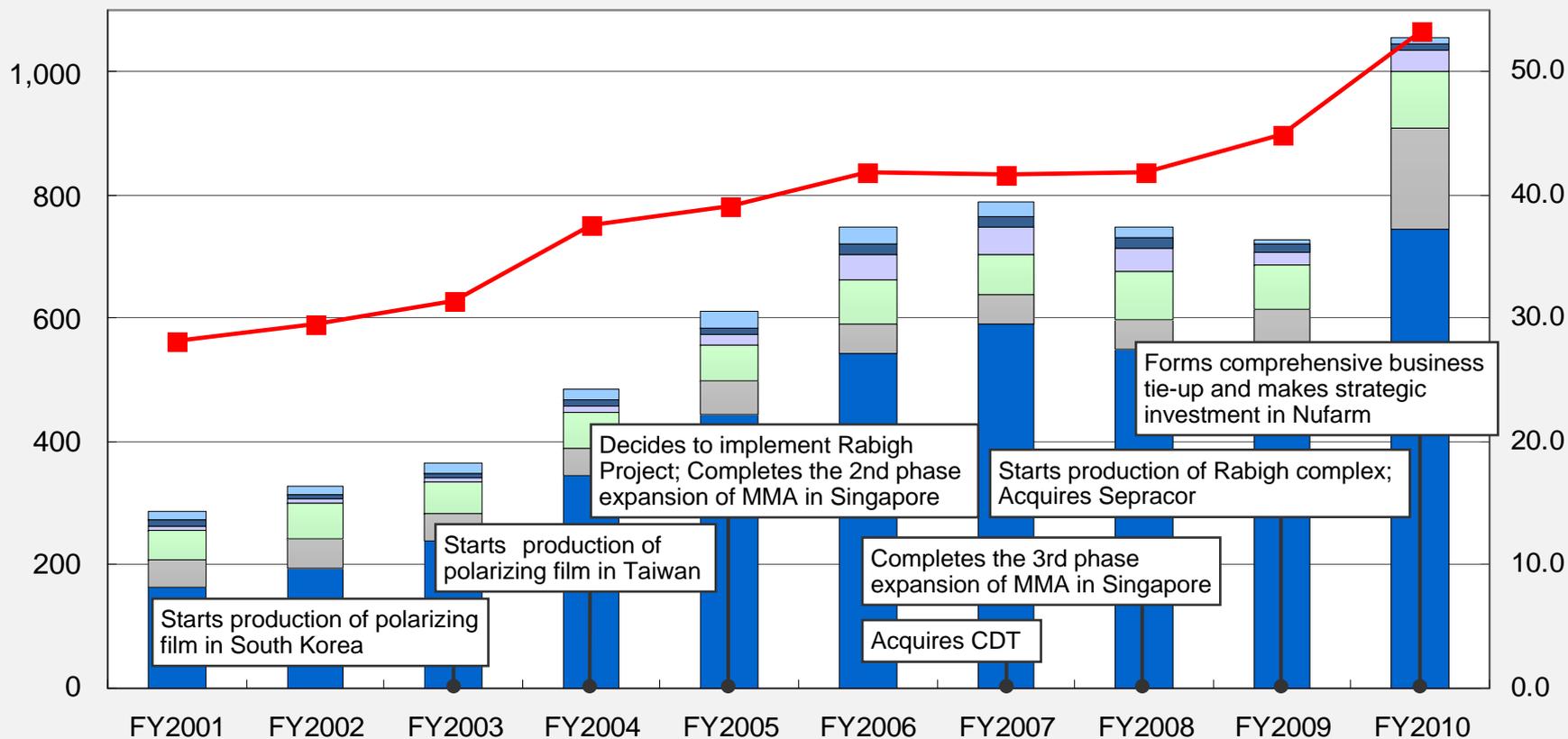
Overseas Operations by Geography



Percentage of overseas production in 2010: 40%

(Billions of yen)

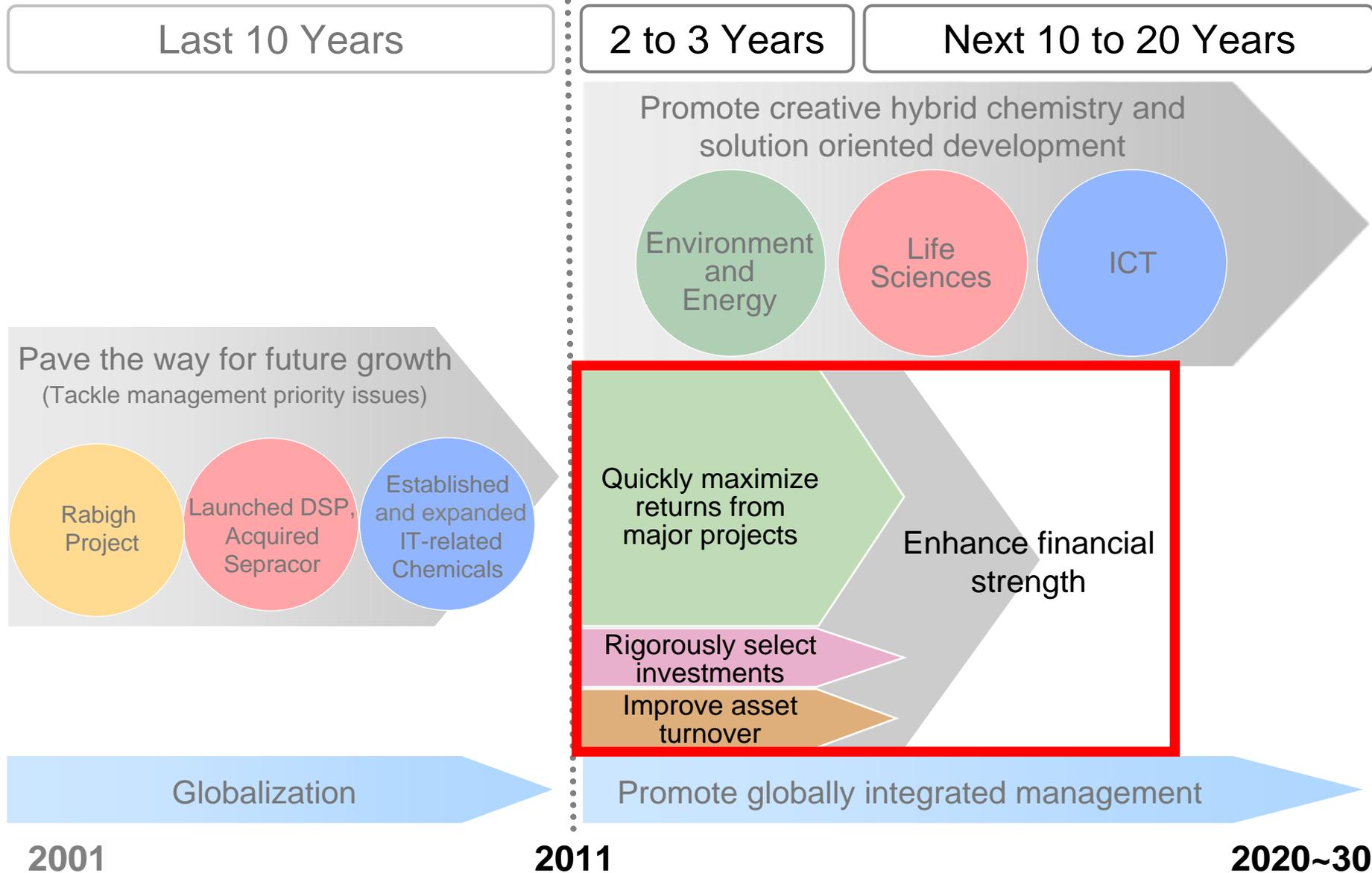
(%)



Current Management Priority Issues and Future Business Strategy



Current Management Priority Issues: Enhance Financial Strength



Enhance Financial Strength

Increase returns
on major strategic
projects

Rigorously select
investments and keep
investment cash flows
within the range of
operating cash flows

Improve asset
turnover

Enhance Financial Strength

- Maintain positive free cash flow
- Reduce interest bearing liabilities
- Improve debt to equity ratio

**Secure greater strategic freedom to aggressively
pursue growth opportunities**

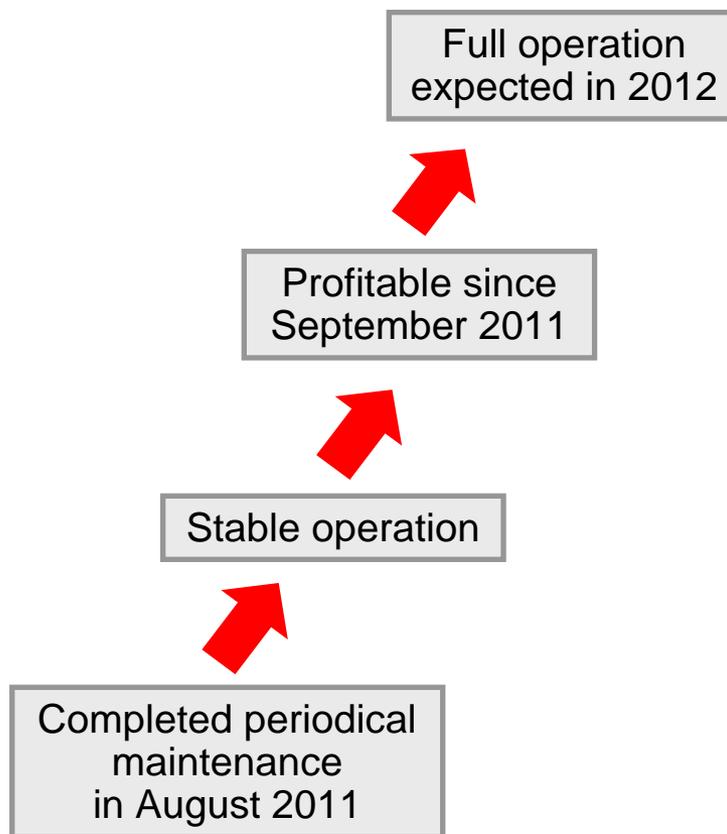
Quickly Maximize Returns from Major Projects: Rabigh Project

Performance Trends for Petro Rabigh

(US\$ millions)

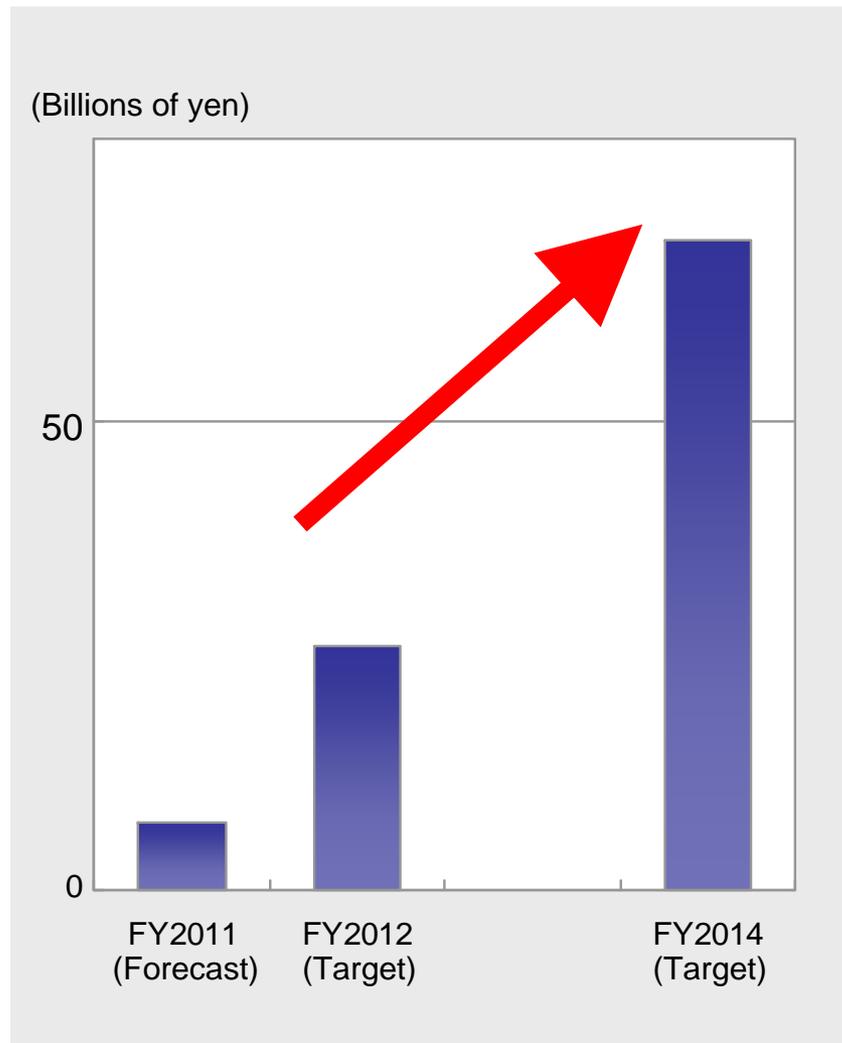
	2010 1-4Q	2011 1Q	2011 2Q	2011 3Q
Sales from Refinery Business	10,416	3,381	1,744	3,290
Sales from Petrochemical Business	2,074	633	290	470
Operating Income	-30	189	-104	-72
Net Income	56	186	-107	-75

Achieve sustained profitability



Quickly Maximize Returns from Major Projects: **LATUDA**

LATUDA Sales Projection in the US



Additional indications and expansion of markets

Schizophrenia

Canada: NDS submitted in June 2011

Japan: New Phase III study under preparation

China: IND submitted in September 2011

Schizophrenia (change of maximum dose)

US: sNDA submitted in June 2011

Bipolar disorder (depression)

US: sNDA planned for 2012

Bipolar maintenance

US, Europe and other:

Phase III studies to be initiated in 2Q 2011

MDD with mixed features

US: Phase III studies to be initiated in 2Q 2011

Quickly Maximize Returns from Major Projects: Promote Globally Integrated Management

Basic Chemicals

Singapore

Increase methyl methacrylate production capacity

Europe

Studying investments in DPF production facilities

IT-related Chemicals

Korea

Building a touch sensor panel production facility

Building a sapphire substrate production facility

China

Built a supply chain

Pharmaceuticals

US

Launched LATUDA

Europe

License agreement with Takeda Pharmaceuticals for the joint development and exclusive commercialization of lurasidone

Petrochemicals and Plastics

Singapore

Building a S-SBR production plant

Saudi Arabia

Studying Rabigh Phase II project

Health & Crop Science

Australia

Comprehensive business alliance with Nufarm

US

Collaboration with Monsanto

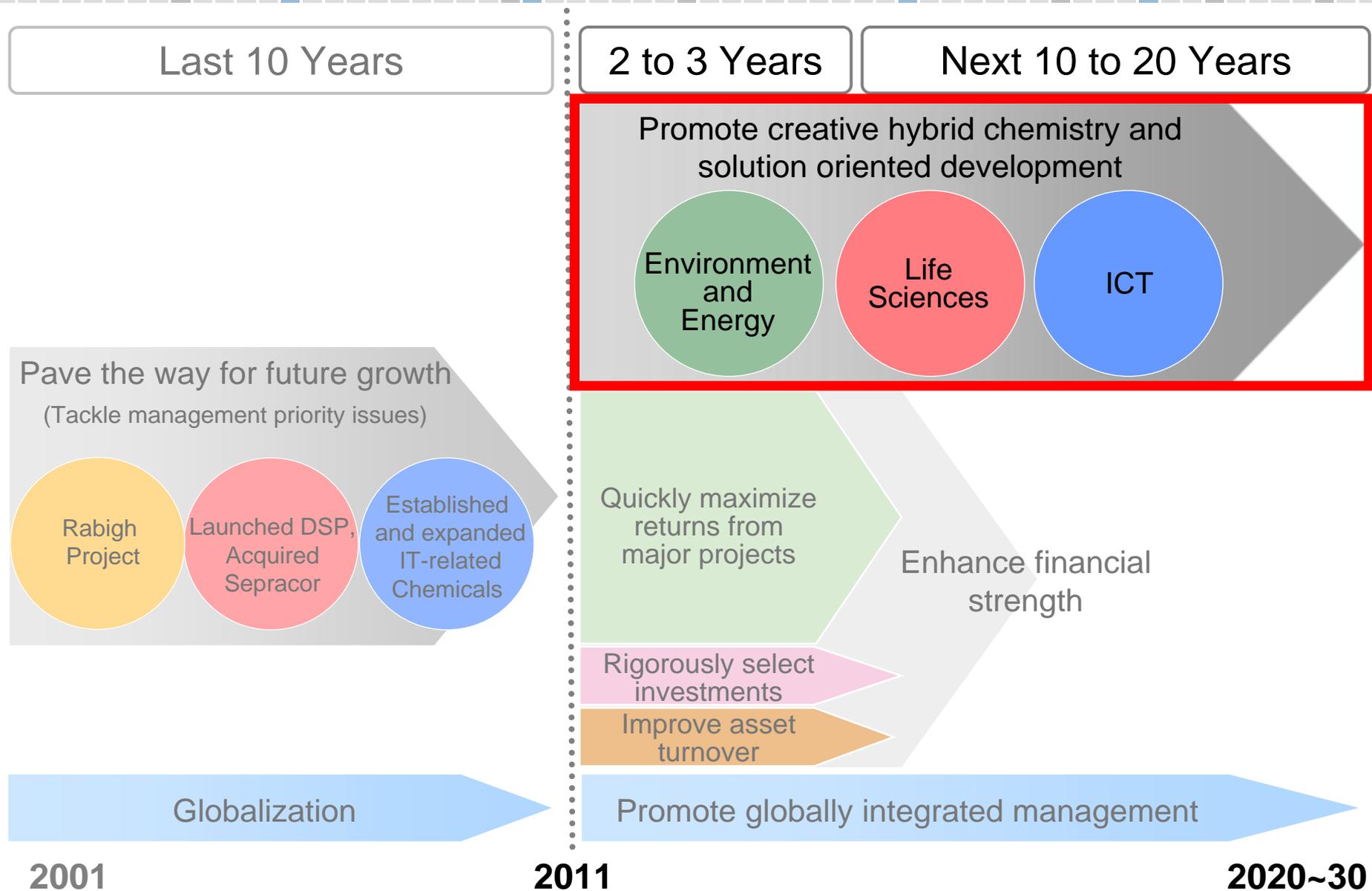
40%
FY2010

Overseas
Production

Globalization

	FY2010	FY2011 1H
Overseas sales to total sales	53%	54%
Overseas production to total production	40%	41%
Overseas assets to total asset	35%	37%
Overseas headcount to total headcount	38%	39%

Promote Creative Hybrid Chemistry and Solution Oriented Development



Promote Creative Hybrid Chemistry and Solution Oriented Development

Environment and Energy

Food, Health, Security and Safety

For a better life

Environment
and Energy

Life Sciences

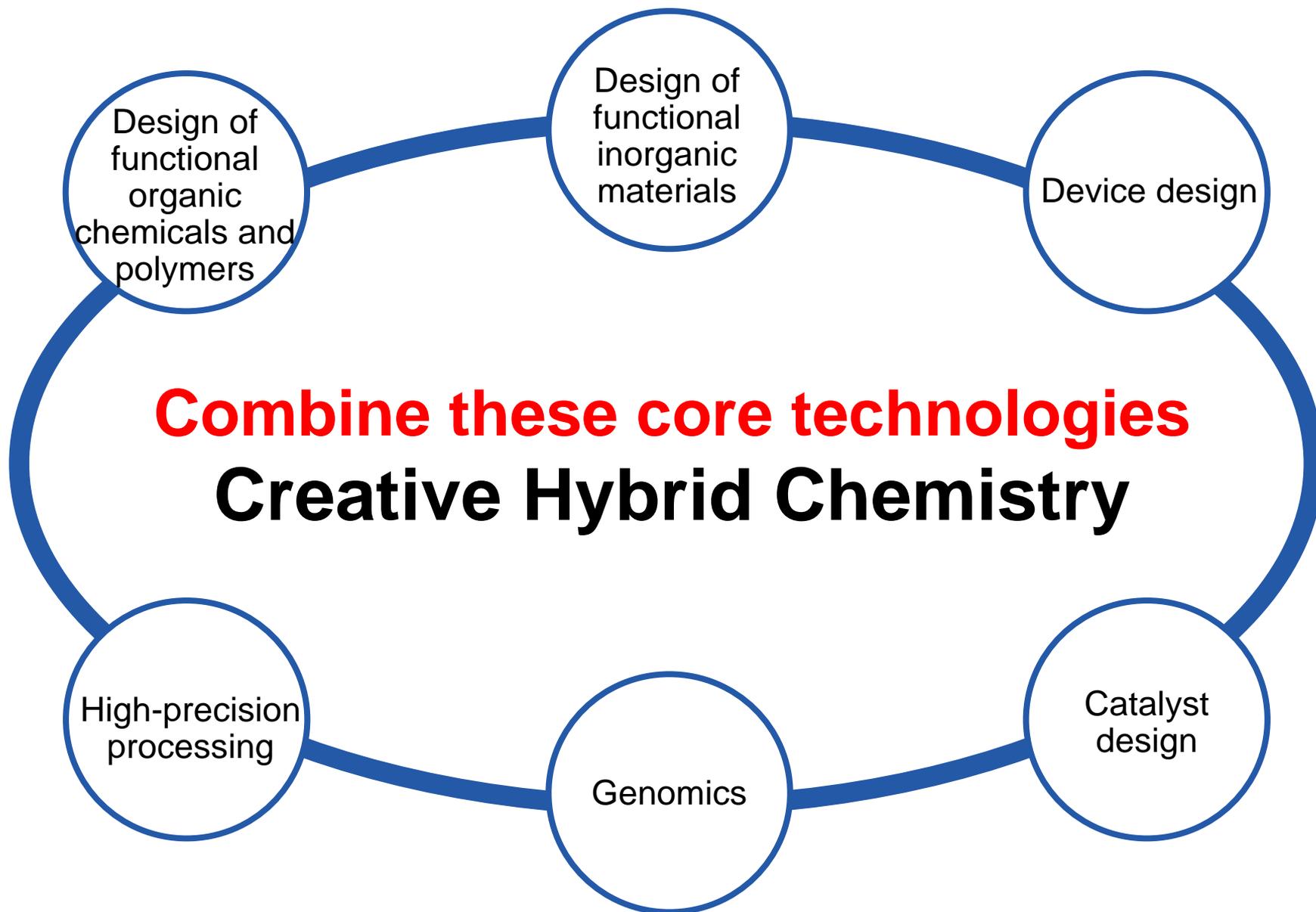
Information and
Communication
Technology

Contribute to
the sustainable development
of society

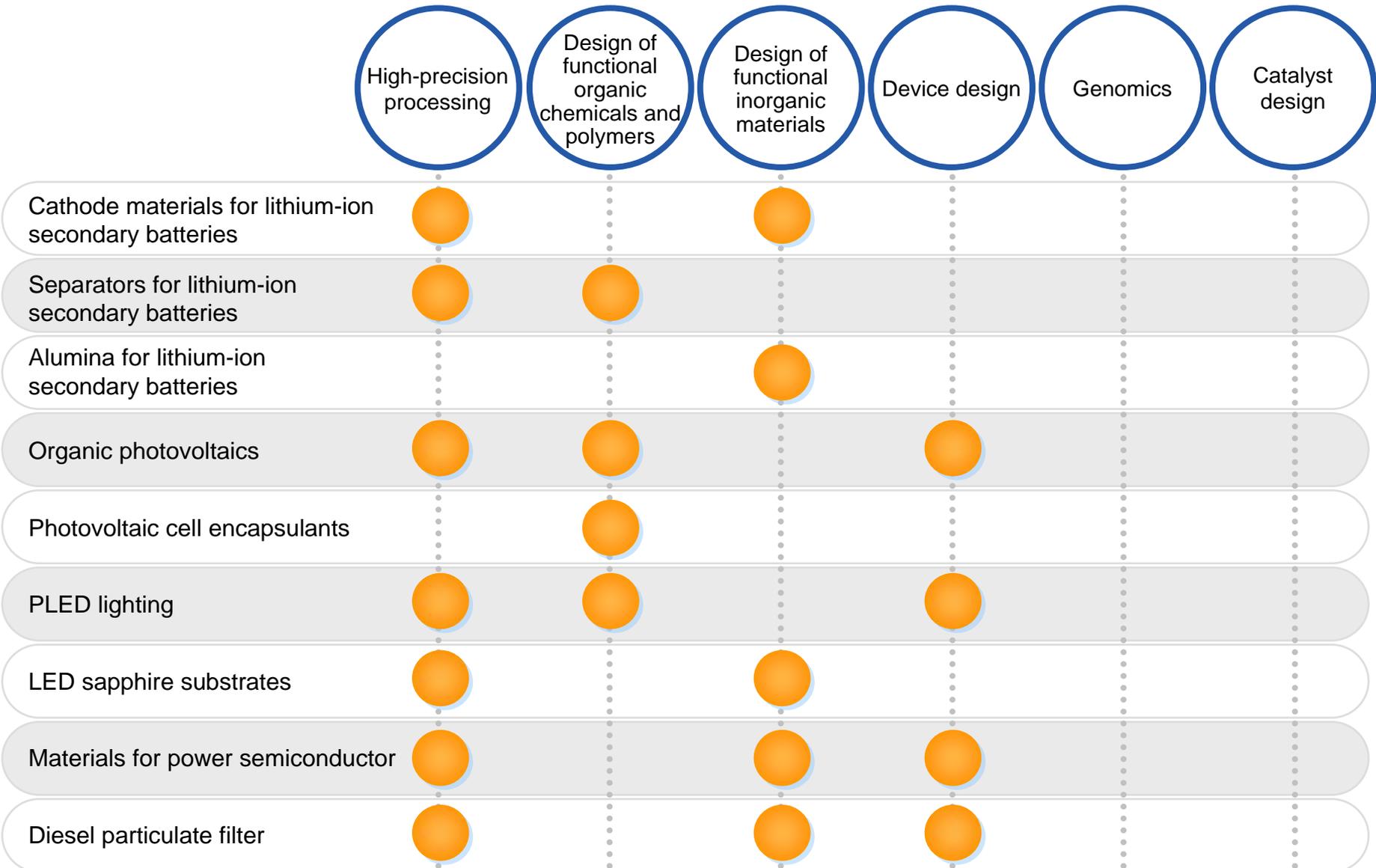
Business
opportunities

Sustainable profit

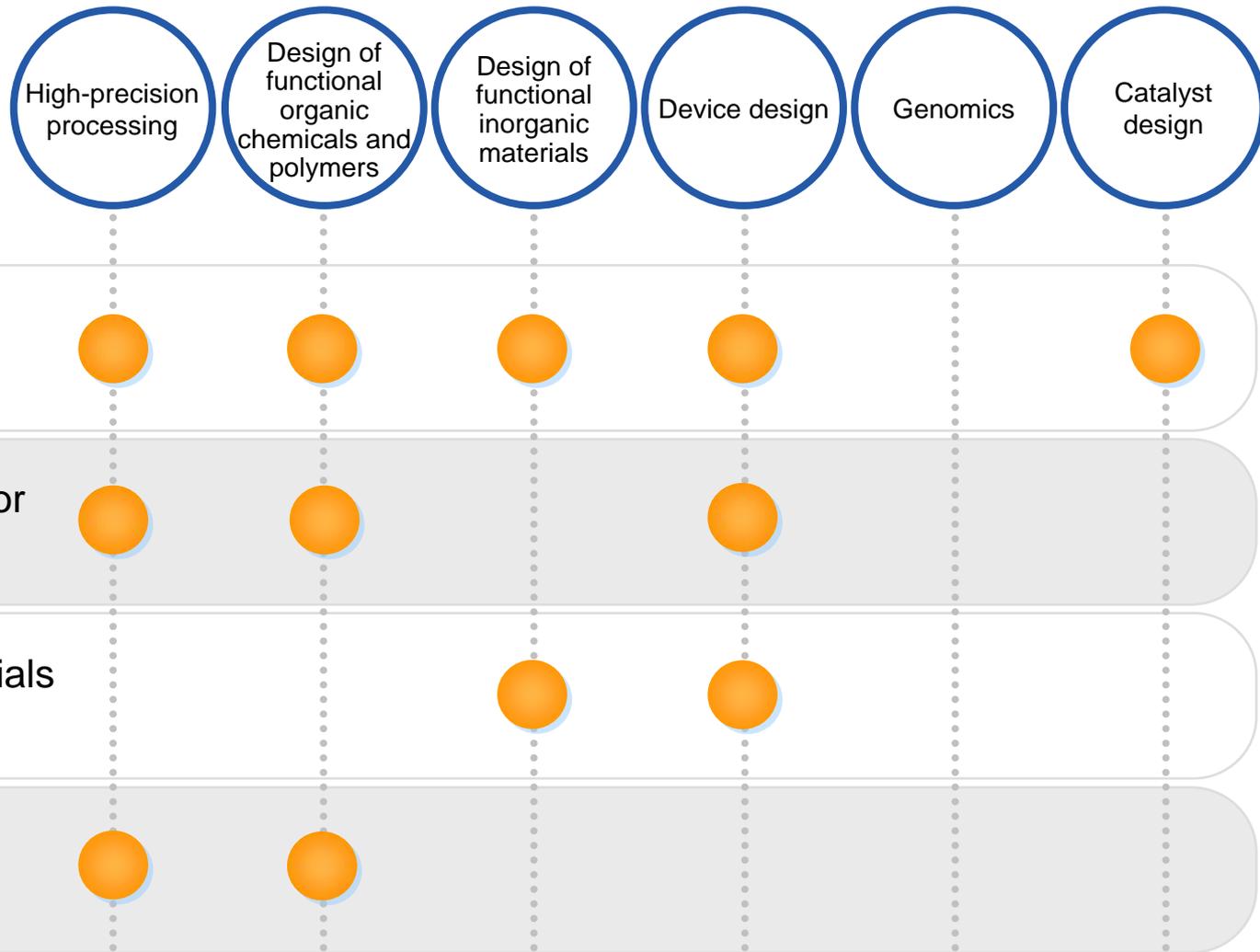
Sumitomo Chemical's
technologies and products



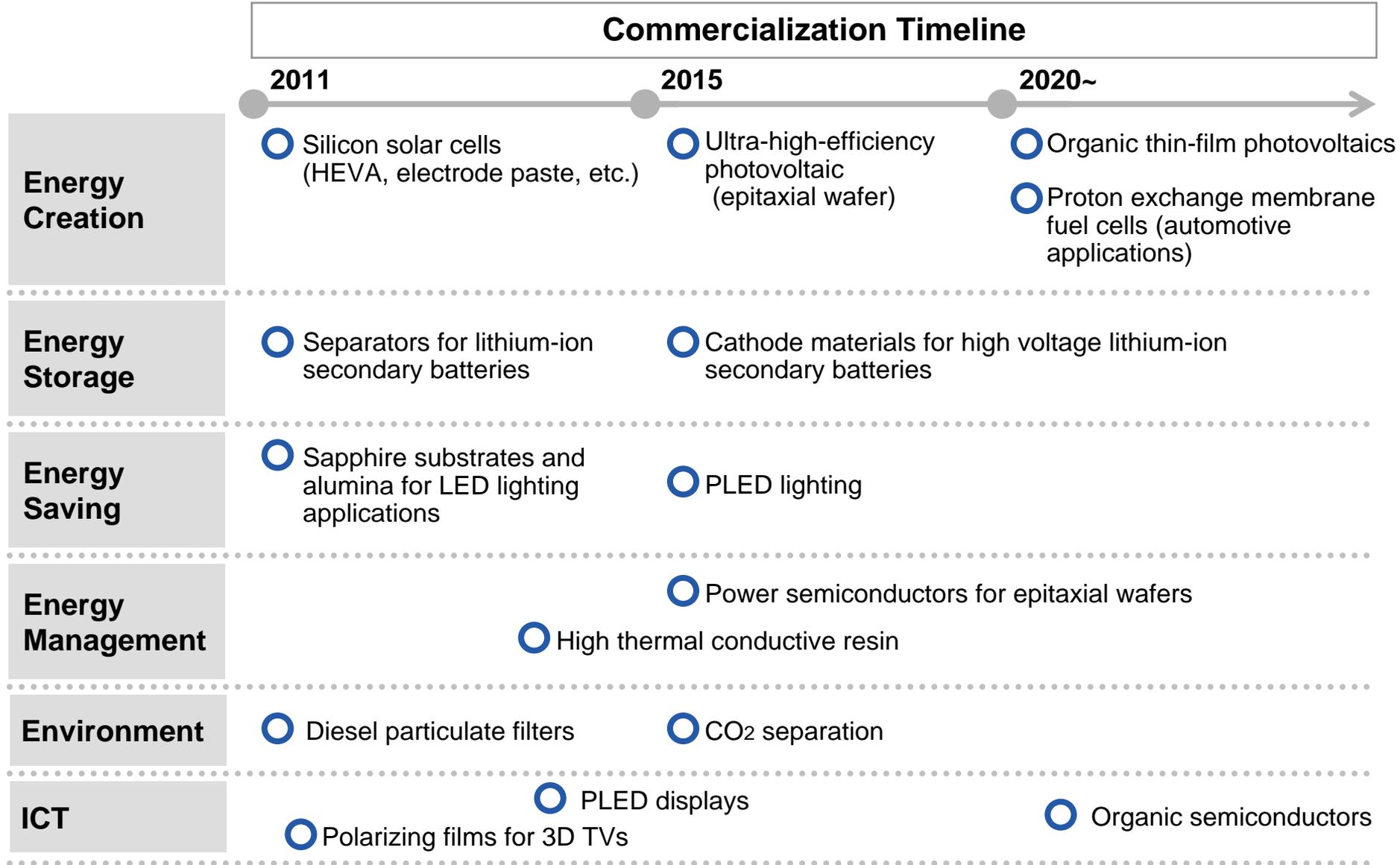
Environment and Energy



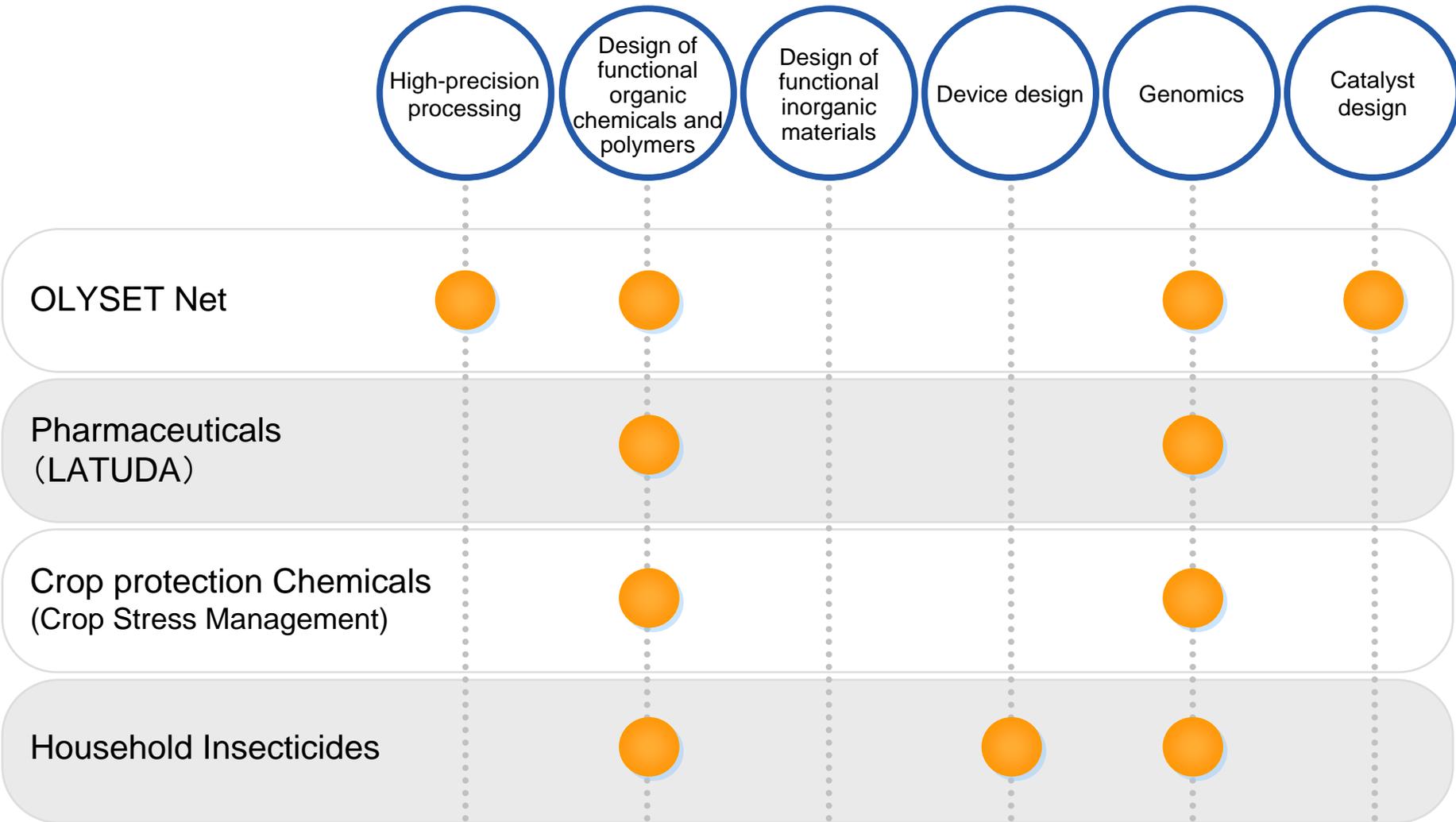
For a Better Life



Commercialization Timeline

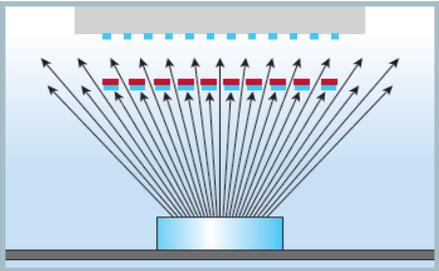
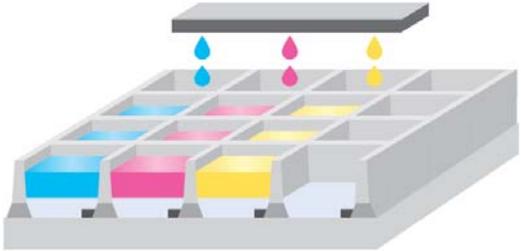
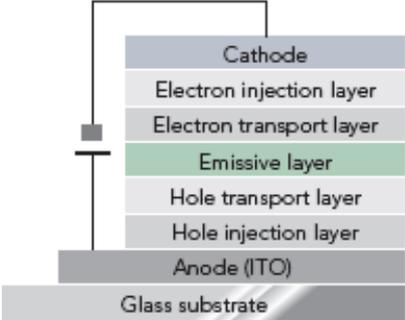
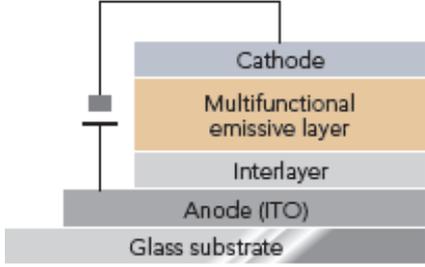


Food, Health, Security and Safety



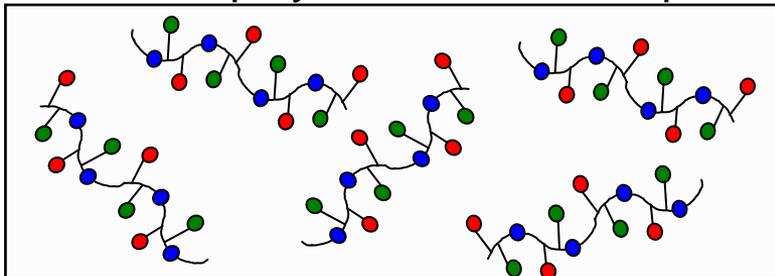
PLED (Printing Method)

Production costs are lower with printable PLEDs because the equipment needed costs less and the production process is simpler.

	Small-molecule organic light emitting diodes (SMOLEDs)	Polymer light emitting diodes (PLEDs)
Manufacturing equipment	Vacuum deposition system equipped with multiple deposition chambers.	Applicable to various types of printing machines as needed <ul style="list-style-type: none"> • Inkjet printer • Slit die coater
Production process	Dry process Vacuum deposition method 	Wet process Printing method 
Structure of layers	Many layers 	Few layers 

PLED Lighting

- R, G, and B units are incorporated into polymer during synthesis
- Dissolve polymer in solvent to produce ink → Print

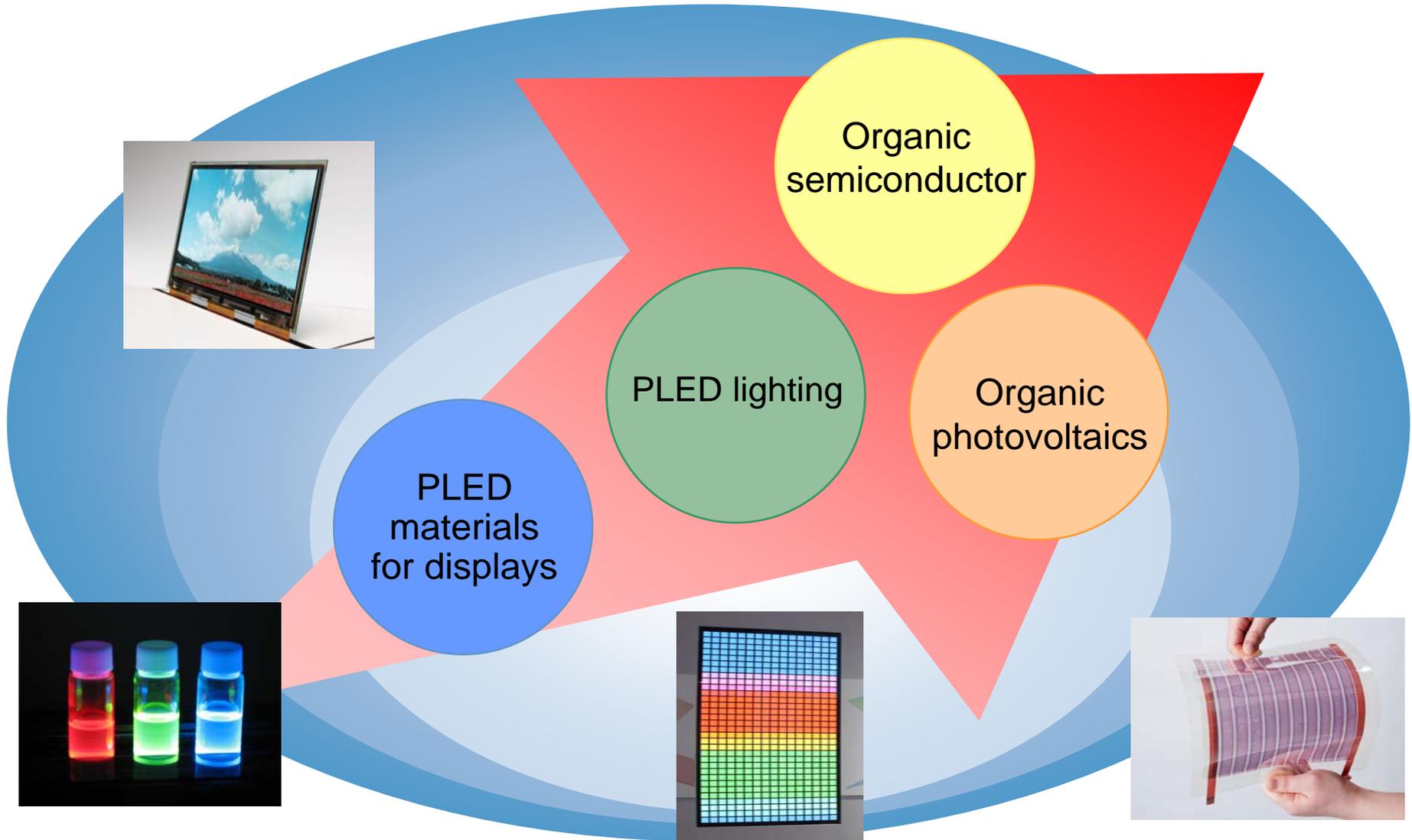


Structure and production process

	Small-molecule organic light emitting diodes	Polymer light emitting diodes
Production process	<p>To produce lighting products, the deposition process needs to be repeated many times.</p> <p>HIL → HTL → R → G → B → ETL → EIL</p>	<p>To produce lighting products, the printing process needs to be repeated very few times.</p> <p>IL → W</p>
Structure of layers	<p>Many layers</p> <p>Cathode</p> <ul style="list-style-type: none"> EIL (electron injection layer) ETL (electron transport layer) EML (emissive layer) Blue EML (emissive layer) Green EML (emissive layer) Red HTL (hole transportation layer) HIL (hole injection layer) Anode (ITO) Glass substrate 	<p>Few layers</p> <ul style="list-style-type: none"> Cathode EML (emissive layer) White IL (hole injection layer) Anode (ITO) Glass substrate

- Planning to display our PLED lighting in Light+Building 2012, Europe's largest trade fair, in April 2012

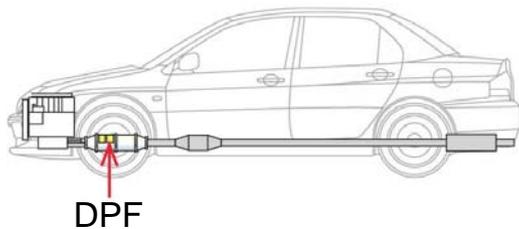
Applications in Printed Electronics



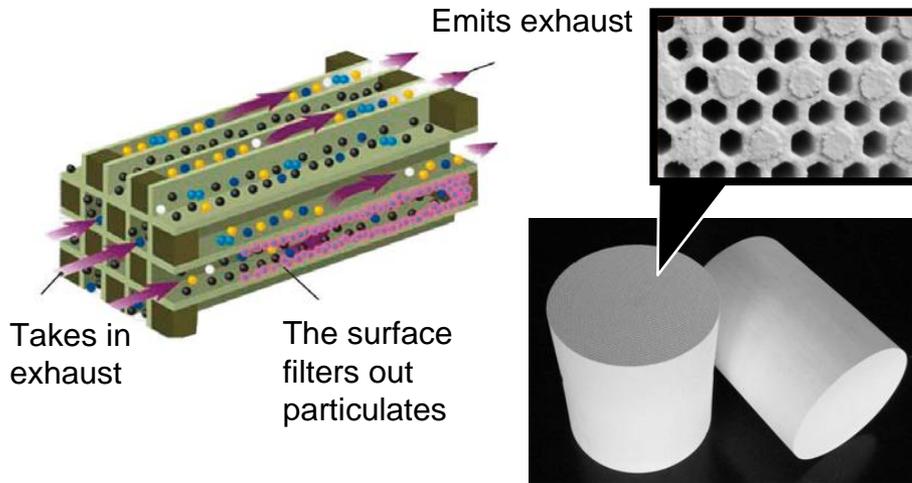
DPF (Diesel Particulate Filter)

Sumitomo Chemical Developed an innovative aluminum titanate DPF

DPF is
a diesel particulate filter for diesel vehicles

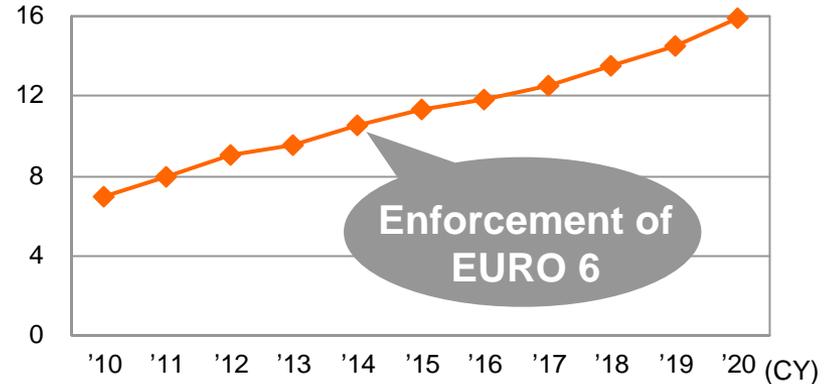


Filtering process

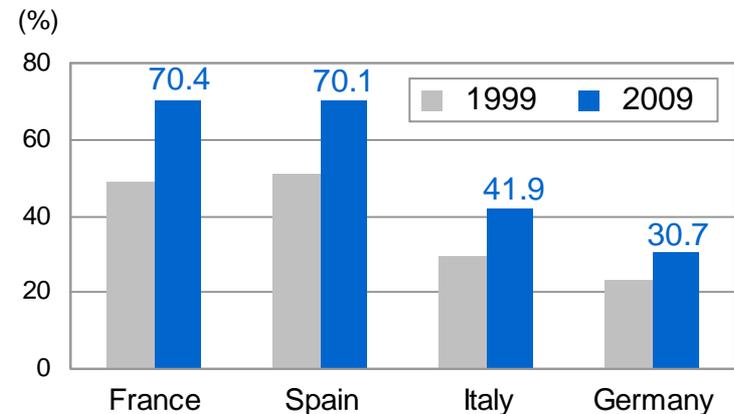


Global Demand for DPFs

(Millions of DPFs per year)

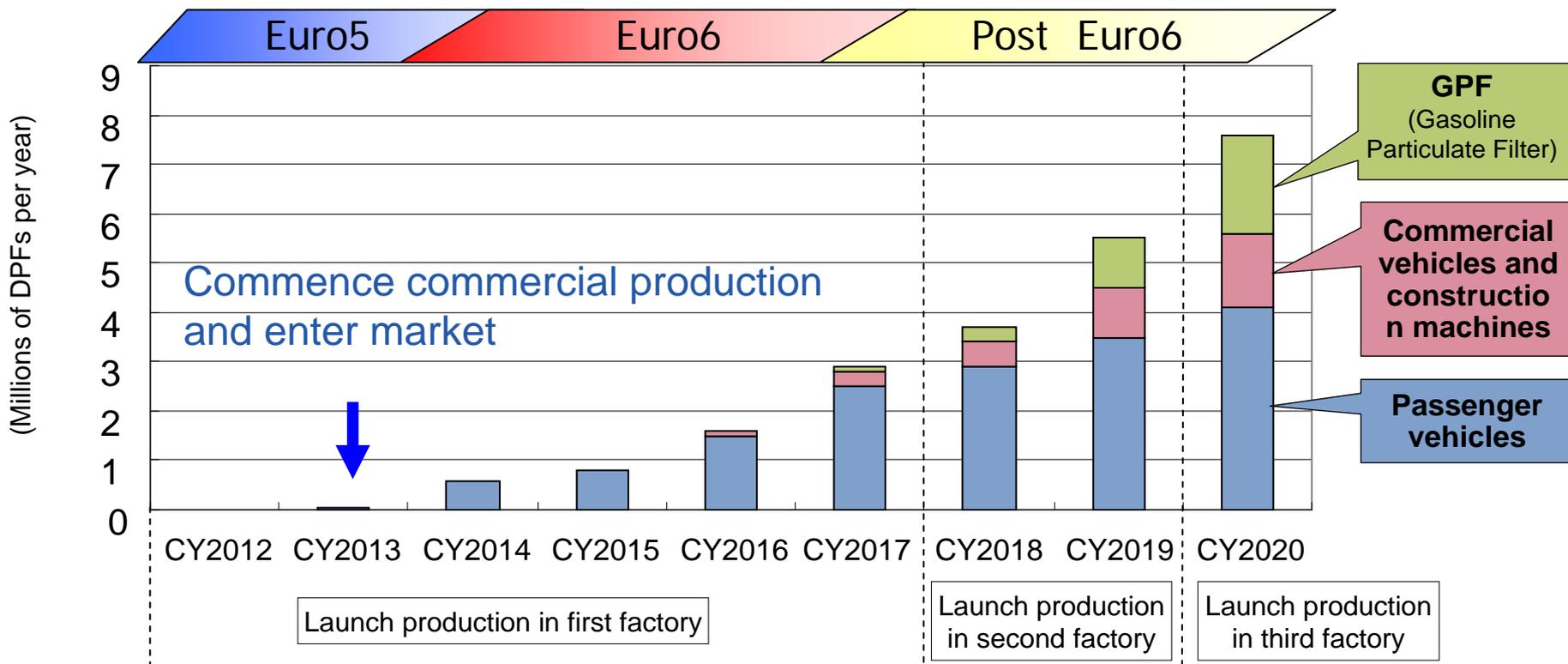


Share of diesel-powered passenger vehicles in Europe



Commercialization Strategy for DPF

- Implementing a steady plan to enter European market in 2013 targeting diesel-powered passenger-vehicles
- Targeting gasoline-powered vehicles in Asia and US and commercial vehicles globally in the long-term.



Thank you for your attention.

Our CSR activities to support areas struck by the Great East Japan Earthquake.



Sales of produce made in the areas struck by the earthquake.

Sumitomo Chemical employees volunteering in the areas struck by the earthquake.



Forward-Looking Statements

Statements made in this material with respect to Sumitomo Chemical's plans, projections, strategies, beliefs, and future performance that are not historical facts are forward-looking statements that are based on information available at the time of the preparation of this material and include risks and uncertainties. Factors that could materially affect actual results of Sumitomo Chemical's future performance include, but are not limited to, economic conditions in the areas of Sumitomo Chemical's business, demand for Sumitomo Chemical's products in markets, downward price pressure on Sumitomo Chemical's products resulting from intensifying competition, Sumitomo Chemical's ability to continue to provide products that are accepted by customers in highly-competitive markets, and movements of currency exchange rates.