



Financial Results of FY2012 First Quarter



July 31, 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

| | FY2011 1st Quarter | FY2012 1st Quarter | Difference | Growth Rate |
|---|-----------------------|-----------------------|------------|----------------|
| Net Sales | 501.9 | 490.0 | -11.9 | -2.4% |
| Operating Income | 34.8 | 13.0 | -21.7 | -62.6% |
| (Equity in earnings of affiliates, included in ordinary income) | (4.4) | (2.2) | (-2.2) | -49.5% |
| (Net loss on foreign currency transactions, included in ordinary income) | (-0.5) | (-1.6) | (-1.2) | - |
| Ordinary Income | 38.9 | 12.5 | -26.4 | -68.0% |
| Net Income | -9.8 | 0.9 | 10.7 | - |
| ROE | -1.9% | 0.2% | | |
| Naphtha Price (yen/KL) | 59,000 | 60,500 | | |
| Exchange Rate (yen/USD) | 81.71 | 80.18 | | |

Net Sales by Business Segments

Unit; billions of yen

| | FY2011 1st Quarter | FY2012 1st Quarter | Difference | Growth Rate | Sales Price Variance | Shipping Volume Variance | Foreign Currency Conversion Variance |
|------------------------|-----------------------|-----------------------|--------------|----------------|-------------------------|--------------------------------|---|
| Basic Chemicals | 75.3 | 66.6 | -8.8 | -11.6% | -7.0 | 0.1 | -1.8 |
| Petrochemicals | 170.0 | 177.5 | 7.5 | 4.4% | -6.0 | 16.9 | -3.4 |
| IT-related Chemicals | 71.4 | 70.3 | -1.2 | -1.6% | -8.0 | 9.6 | -2.7 |
| Health & Crop Sciences | 71.5 | 67.2 | -4.4 | -6.1% | -1.0 | -1.4 | -2.0 |
| Pharmaceuticals | 102.5 | 96.8 | -5.6 | -5.5% | -3.0 | -1.6 | -1.1 |
| Others & Adjustments | 11.2 | 11.7 | 0.5 | 4.3% | 0 | 0.5 | 0 |
| Total | 501.9 | 490.0 | -11.9 | -2.4% | -25.0 | 24.0 | -11.0 |



Operating Income by Business Segments

Unit: billions of yen

| | Operating Income | | Difference | Price Variance | Cost Variance | Shipping Volume Variance and Other | Total |
|------------------------|-----------------------|-----------------------|--------------|-------------------|------------------|---|--------------|
| | FY2011 1st Quarter | FY2012 1st Quarter | | | | | |
| Basic Chemicals | 7.0 | -2.5 | -9.5 | -6.0 | 0 | -3.5 | -9.5 |
| Petrochemicals | 5.8 | 0.1 | -5.7 | -5.5 | 0 | -0.2 | -5.7 |
| IT-related Chemicals | 4.1 | 1.2 | -2.9 | -9.0 | 4.5 | 1.6 | -2.9 |
| Health & Crop Sciences | 8.1 | 6.5 | -1.6 | -1.5 | 0 | -0.1 | -1.6 |
| Pharmaceuticals | 13.5 | 12.6 | -0.8 | -3.0 | 4.0 | -1.8 | -0.8 |
| Others & Adjustments | -3.6 | -4.8 | -1.2 | 0 | 0 | -1.2 | -1.2 |
| Total | 34.8 | 13.0 | -21.7 | -25.0 | 8.5 | -5.2 | -21.7 |



Extraordinary Gains / Losses

Unit; billions of yen

| | FY2011 1st Quarter | FY2012 1st Quarter | Difference |
|-------------------------------------|-----------------------|-----------------------|--------------|
| Restructuring charges | 0.6 | 1.4 | 0.8 |
| Impairment loss | - | 0.4 | 0.4 |
| Equity in losses of affiliates | 29.0 | - | -29.0 |
| Extraordinary Losses | 29.6 | 1.8 | -27.8 |
| Extraordinary Gains / Losses | -29.6 | -1.8 | 27.8 |



Consolidated Balance Sheets

Unit: billions of yen

| | 31-Mar-12 | 30-Jun-12 | Difference | | 31-Mar-12 | 30-Jun-12 | Difference |
|-------------------------------------|----------------|----------------|-------------|--|----------------|----------------|-------------|
| Current Assets | 1,102.1 | 1,128.3 | 26.3 | Liabilities | 1,616.1 | 1,663.4 | 47.4 |
| Cash and cash equivalents | 147.1 | 151.6 | 4.5 | Trade notes and accounts payable | 227.8 | 236.3 | 8.5 |
| Trade notes and accounts receivable | 410.9 | 410.4 | -0.5 | Interest-bearing liabilities | 1,053.0 | 1,099.3 | 46.4 |
| Inventories | 382.4 | 395.5 | 13.1 | Others | 335.3 | 327.8 | -7.5 |
| Others | 161.7 | 170.8 | 9.1 | Net Assets | 720.9 | 743.4 | 22.5 |
| Non-current Assets | 1,234.9 | 1,278.5 | 43.6 | Shareholders' equity | 589.7 | 586.3 | -3.3 |
| Property, plant and equipment | 594.9 | 613.6 | 18.7 | Accumulated other comprehensive income | -103.4 | -83.1 | 20.3 |
| Intangible assets | 142.2 | 167.6 | 25.4 | Minority interests | 234.7 | 240.2 | 5.5 |
| Investment and other assets | 497.8 | 497.3 | -0.5 | | | | |
| Total | 2,337.0 | 2,406.8 | 69.9 | Total | 2,337.0 | 2,406.8 | 69.9 |
| | | | | Shareholders' equity ratio | 20.8% | 20.9% | 0.1% |



Consolidated Statements of Cash Flows

Unit; billions of yen

| | FY2011 1st Quarter | FY2012 1st Quarter | Difference |
|--|-----------------------|-----------------------|------------|
| Cash flows from operating activities | 24.0 | 15.1 | -8.9 |
| Cash flows from investing activities | -23.4 | -48.2 | -24.8 |
| Free cash flows | 0.6 | -33.1 | -33.7 |
| Cash flows from financing activities | 4.3 | 32.9 | 28.6 |
| Effect of exchange rate changes on cash and cash equivalents | 1.4 | 3.5 | 2.1 |
| Net change in cash and cash equivalents | 6.3 | 3.4 | -2.9 |
| Cash and cash equivalents (at June 30) | 157.8 | 151.6 | -6.2 |



Major Subsidiaries

| Company | Net Sales | | Profit Trends |
|---|-----------------------|-----------------------|--|
| | FY2011 1st Quarter | FY2012 1st Quarter | |
| The Polyolefin Company (Singapore) (millions of USD) | 395 | 364 | Decreased due to margin erosion |
| Petrochemical Corporation of Singapore (millions of USD) | 905 | 916 | Decreased due to margin erosion |
| Rabigh Refining and Petrochemical Company (millions of SAR) | 15,053 | 15,998 | Decreased due to margin erosion |
| Dongwoo Fine-Chem (billions of KRW) | 517 | 546 | Decreased due to lower selling prices |
| Valent U.S.A. and Subsidiaries (millions of USD) | 168 | 210 | Increased due to higher sales volume |

Financial Estimates for 1 st Half

Unit; billions of yen

| | Previous Estimates | Revised Estimates | Difference | Ratio |
|--|--------------------|-------------------|------------|----------|
| Net Sales | 1,050.0 | 990.0 | -60.0 | - 5.7% |
| Operating Income | 30.0 | 27.0 | -3.0 | - 10.0% |
| (Equity in earnings of affiliates, included in ordinary income) | (2.0) | (1.0) | (-1.0) | - 50.0% |
| Ordinary Income | 26.0 | 18.0 | -8.0 | - 30.8% |
| Net Income | 10.0 | 0 | -10.0 | - 100.0% |
| Naphtha Price (yen/KL) | 65,000 | 54,000 | | |
| Exchange Rate (yen/USD) | 82.50 | 80.00 | | |



Financial Estimates for Year

Unit; billions of yen

| | Previous Estimates | Revised Estimates | Difference | Ratio |
|---|--------------------|-------------------|------------|--------|
| Net Sales | 2,230.0 | 2,050.0 | -180.0 | -8.1% |
| Operating Income | 90.0 | 80.0 | -10.0 | -11.1% |
| (Equity in earnings of affiliates, included in ordinary income) | (16.0) | (10.0) | (-6.0) | -37.5% |
| Ordinary Income | 95.0 | 75.0 | -20.0 | -21.1% |
| Net Income | 40.0 | 30.0 | -10.0 | -25.0% |
| ROE | 7.8% | 6.0% | | |
| Naphtha Price (yen/KL) | 65,000 | 52,000 | | |
| Exchange Rate (yen/USD) | 82.50 | 80.00 | | |



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

Unit: billions of yen

| | Net Sales | | | Operating Income | | |
|------------------------|--------------------|--------------------|----------------|--------------------|--------------------|-------------|
| | 1st Half of FY2012 | 2nd Half of FY2012 | FY2012 | 1st Half of FY2012 | 2nd Half of FY2012 | FY2012 |
| Basic Chemicals | 145.0 | 155.0 | 300.0 | 0 | 8.0 | 8.0 |
| Petrochemicals | 350.0 | 360.0 | 710.0 | 1.0 | 5.5 | 6.5 |
| IT-related Chemicals | 145.0 | 175.0 | 320.0 | 4.0 | 14.5 | 18.5 |
| Health & Crop Sciences | 125.0 | 155.0 | 280.0 | 8.5 | 23.5 | 32.0 |
| Pharmaceuticals | 195.0 | 185.0 | 380.0 | 20.0 | 10.0 | 30.0 |
| Others & Adjustments | 30.0 | 30.0 | 60.0 | -6.5 | -8.5 | -15.0 |
| Total | 990.0 | 1,060.0 | 2,050.0 | 27.0 | 53.0 | 80.0 |