



First Half Financial Results & Outlook for FY2012



Oct 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.



Contents

Consolidated Financial Results for First Half of FY2012 Ending March 31, 2013

■ Financial Summary.....	1
■ Net Sales by Business Segments.....	2
■ Operating Income by Business Segments.....	3
■ Extraordinary Gains / Losses.....	4
■ Consolidated Balance Sheets.....	5
■ Consolidated Statements of Cash Flows.....	6
■ Major Subsidiaries.....	7
■ Financial Estimates for Year.....	8
■ Estimates of Net Sales and Operating Income by Business Segments for Year.....	9

(Reference Materials)

■ Major Cost Elements.....	11
■ Capital Expenditures by Business Segments.....	12
■ Depreciation and Amortization by Business Segments.....	13
■ Research & Development Expenses by Business Segments.....	14

Financial Summary

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference	Growth Rate
Net Sales	998.3	961.4	-36.9	-3.7%
Operating Income	54.0	24.5	-29.6	-54.7%
(Equity in earnings of affiliates, included in ordinary income)	(1.0)	(1.4)	(0.4)	34.8%
(Net loss on foreign currency transactions, included in ordinary income)	(-3.8)	(-3.7)	(0.1)	-
Ordinary Income	49.0	18.9	-30.0	-61.3%
Net Income	-2.7	-13.1	-10.4	-
ROE	-0.5%	-2.8%		
Naphtha Price (yen/KL)	57,000	55,100		
Exchange Rate (yen/USD)	79.75	79.41		

Net Sales by Business Segments

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference	Growth Rate	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	152.3	132.9	-19.5	-12.8%	-16.0	-2.5	-0.9
Petrochemicals	341.0	343.2	2.2	0.6%	-18.5	26.1	-5.4
IT-related Chemicals	148.6	144.0	-4.5	-3.1%	-14.0	16.2	-6.8
Health & Crop Sciences	138.5	119.8	-18.7	-13.5%	-1.5	-12.7	-4.6
Pharmaceuticals	193.2	194.3	1.1	0.6%	-5.0	7.7	-1.6
Others	24.7	27.2	2.6	10.4%	0	2.6	0
Total	998.3	961.4	-36.9	-3.7%	-55.0	37.4	-19.3
Overseas Operations	533.8	512.8	-21.0	-3.9%			



Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	1st Half of FY2011	1st Half of FY2012					
Basic Chemicals	12.5	-2.6	-15.1	-11.5	-0.5	-3.1	-15.1
Petrochemicals	7.8	-0.2	-8.0	-10.0	0	2.0	-8.0
IT-related Chemicals	10.1	2.4	-7.7	-15.5	7.5	0.3	-7.7
Health & Crop Sciences	14.8	7.7	-7.1	-2.0	0	-5.1	-7.1
Pharmaceuticals	15.5	23.1	7.7	-5.0	6.5	6.2	7.7
Others & Adjustments	-6.6	-6.0	0.6	0	0	0.6	0.6
Total	54.0	24.5	-29.6	-44.0	13.5	0.9	-29.6



Extraordinary Gains / Losses

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Gain on sale of property, plant and equipment	1.2	-	-1.2
Gain on sale of investment securities	0.2	-	-0.2
Extraordinary Gains	1.5	-	-1.5
Loss on valuation of investment securities	-	2.7	2.7
Restructuring charges	1.0	2.2	1.3
Impairment loss	-	0.4	0.4
Equity in losses of affiliates	28.9	-	-28.9
Extraordinary Losses	29.8	5.3	-24.5
Extraordinary Gains / Losses	-28.4	-5.3	23.0



Consolidated Balance Sheets

Unit: billions of yen

	31-Mar-12	30-Sep-12	Difference		31-Mar-12	30-Sep-12	Difference
Current Assets	1,102.1	1,075.3	-26.7	Liabilities	1,616.1	1,642.2	26.1
Cash and cash equivalents	147.1	131.8	-15.3	Trade notes and accounts payable	227.8	224.5	-3.3
Trade notes and accounts receivable	410.9	375.5	-35.4	Interest-bearing liabilities	1,053.0	1,087.4	34.4
Inventories	382.4	395.2	12.8	Others	335.3	330.3	-5.0
Others	161.7	172.9	11.1	Net Assets	720.9	699.4	-21.5
Non-current Assets	1,234.9	1,266.3	31.4	Shareholders' equity	589.7	572.3	-17.4
Property, plant and equipment	594.9	615.1	20.3	Accumulated other comprehensive income	-103.4	-106.4	-2.9
Intangible assets	142.2	175.2	33.0	Minority interests	234.7	233.5	-1.2
Investment and other assets	497.8	475.9	-21.9				
Total	2,337.0	2,341.6	4.7	Total	2,337.0	2,341.6	4.7
				Shareholders' equity ratio	20.8%	19.9%	-0.9%

Consolidated Statements of Cash Flows

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Cash flows from operating activities	57.2	61.8	4.7
Cash flows from investing activities	-60.1	-104.8	-44.7
Free cash flows	-3.0	-43.0	-40.0
Cash flows from financing activities	-2.6	26.1	28.7
Effect of exchange rate changes on cash and cash equivalents	0.4	0.4	0.1
Net change in cash and cash equivalents	-5.2	-16.4	-11.3
Cash and cash equivalents (as of September 30)	146.4	131.8	-14.6



Major Subsidiaries

Company	Net Sales		Profit Trends
	1st Half of FY2011	1st Half of FY2012	
The Polyolefin Company (Singapore) (millions of USD)	786	684	Decreased due to margin erosion
Petrochemical Corporation of Singapore (millions of USD)	1,914	1,735	Decreased due to margin erosion
Rabigh Refining and Petrochemical Company (millions of SAR)	22,683	30,842	Decreased due to margin erosion
Dongwoo Fine-Chem (billions of KRW)	1,086	1,133	Decreased due to lower selling prices
Valent U.S.A. and Subsidiaries (millions of USD)	341	299	Decreased, despite strong business performance, due to seasonal effects caused by a change in the company's fiscal year

Financial Estimates for Year

Unit; billions of yen

	Previous Estimates	Revised Estimates	Difference	Ratio
Net Sales	2,050.0	2,020.0	-30.0	- 1.5%
Operating Income	80.0	65.0	-15.0	- 18.8%
(Equity in earnings of affiliates, included in ordinary income)	(10.0)	(12.0)	(2.0)	20.0%
Ordinary Income	75.0	62.0	-13.0	- 17.3%
Net Income	30.0	10.0	-20.0	- 66.7%
ROE	6.0%	2.1%		
Naphtha Price (yen/KL)	52,000	55,000		
Exchange Rate (yen/USD)	80.00	80.00		



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

Unit; billions of yen

	Net Sales			Operating Income		
	Previous Estimates	Revised Estimates	Difference	Previous Estimates	Revised Estimates	Difference
Basic Chemicals	300.0	280.0	-20.0	8.0	-2.0	-10.0
Petrochemicals	710.0	710.0	0	6.5	1.0	-5.5
IT-related Chemicals	320.0	310.0	-10.0	18.5	15.0	-3.5
Health & Crop Sciences	280.0	280.0	0	32.0	32.0	0
Pharmaceuticals	380.0	380.0	0	30.0	33.0	3.0
Others & Adjustments	60.0	60.0	0	-15.0	-14.0	1.0
Total	2,050.0	2,020.0	-30.0	80.0	65.0	-15.0



(Reference Materials)

Major Cost Elements

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Depreciation and Amortization	56.6	59.5	2.9
Research & Development Expenses	58.1	59.1	0.9
Capital Expenditures	59.1	55.8	-3.3
Number of employees (as of September 30)	30,404	30,416	12



Capital Expenditures by Business Segments

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Basic Chemicals	8.4	13.3	4.9
Petrochemicals	4.6	6.3	1.7
IT-related Chemicals	27.2	9.9	-17.3
Health & Crop Sciences	8.2	14.5	6.2
Pharmaceuticals	5.3	7.2	1.9
Others & Adjustments	5.3	4.6	-0.7
Total	59.1	55.8	-3.3

Depreciation and Amortization by Business Segments

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Basic Chemicals	7.1	7.6	0.5
Petrochemicals	6.9	6.9	0.1
IT-related Chemicals	6.8	8.5	1.7
Health & Crop Sciences	6.9	7.4	0.4
Pharmaceuticals	21.4	21.5	0.2
Others & Adjustments	7.6	7.6	0
Total	56.6	59.5	2.9

Research & Development Expenses by Business Segments

Unit; billions of yen

	1st Half of FY2011	1st Half of FY2012	Difference
Basic Chemicals	2.5	2.9	0.5
Petrochemicals	3.6	3.5	-0
IT-related Chemicals	5.3	6.0	0.6
Health & Crop Sciences	9.2	9.5	0.3
Pharmaceuticals	28.3	28.4	0.2
Others & Adjustments	9.3	8.7	-0.7
Total	58.1	59.1	0.9