

Financial Results
of
FY2015 First Quarter



July 31, 2015



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

	FY2014 1st Quarter	FY2015 1st Quarter	Difference	Ratio
Net Sales	556.9	556.6	-0.3	-0.1%
Operating Income	19.1	33.2	14.1	74.0%
(Equity in earnings of affiliates, included in ordinary income)	(8.1)	(14.8)	(6.7)	-
(Net gain / loss on foreign currency transactions, included in ordinary income)	(-0.9)	(1.8)	(2.7)	-
Ordinary Income	26.1	49.8	23.6	90.4%
(Extraordinary Gain / Loss)	(1.3)	(5.2)	(3.9)	-
(Income taxes)	(-8.4)	(-13.0)	(-4.6)	-
Net income	19.0	41.9	22.9	-
(Net income attributable to non-controlling interests)	(-4.9)	(-7.9)	(-3.0)	-
Net income attributable to owners of the parent	14.1	34.0	19.9	141.6%
ROE	2.2%	4.2%		
Exchange Rate (yen/USD)	102.17	121.43		
Naphtha Price (yen/KL)	69,900	48,500		

Net Sales by Business Segments I

Unit; billions of yen

	FY2014 1st Quarter	FY2015 1st Quarter	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Petrochemicals	227.6	198.5	-29.1	-12.8%	-21.5	-22.6	15.0
Energy & Functional Materials	48.6	46.5	-2.1	-4.4%	2.0	-4.5	0.4
IT-related Chemicals	98.1	110.1	12.0	12.3%	-9.0	8.4	12.6
Health & Crop Sciences	73.8	82.0	8.2	11.1%	6.5	-4.5	6.2
Pharmaceuticals	97.8	106.2	8.4	8.6%	0	0.9	7.5
Others & Adjustments	11.0	13.4	2.4	21.8%	0	2.4	0
Total	556.9	556.6	-0.3	-0.1%	-22.0	-19.9	41.6
Overseas Operations	334.0	350.3	16.3	4.9%			
Overseas Ratio	60.0%	62.9%					

*With the changes in reported segments classification methods as of April 1, 2015, the amount of the previous period has been modified for purposes of comparison. (All the segment information are modified in the same manner.)

Net Sales by Business Segments II

Unit; billions of yen

	FY2014 1st Quarter	FY2015 1st Quarter	Difference	Main Factors
Petrochemicals	227.6	198.5	-29.1	<ul style="list-style-type: none"> • Decline in market prices for petrochemical products and synthetic resins due to lower feedstock prices • Decrease in shipments of petrochemical products and synthetic resins • Positive effect of the weaker yen
Energy & Functional Materials	48.6	46.5	-2.1	<ul style="list-style-type: none"> • Decrease in shipments of aluminum and resorcinol
IT-related Chemicals	98.1	110.1	12.0	<ul style="list-style-type: none"> • Decline in selling prices of polarizing film and touchscreen panels • Increase in shipments of polarizing film and touchscreen panels • Positive effect of the weaker yen
Health & Crop Sciences	73.8	82.0	8.2	<ul style="list-style-type: none"> • Higher market price for feed additive methionine • Positive effect of the weaker yen
Pharmaceuticals	97.8	106.2	8.4	<ul style="list-style-type: none"> • Sales expansion of Latuda® in North America • Positive effect of the weaker yen
Others & Adjustments	11.0	13.4	2.4	
Total	556.9	556.6	-0.3	

Operating Income by Business Segments I

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	FY2014 1st Quarter	FY2015 1st Quarter					
Petrochemicals	-0.4	6.9	7.4	9.5	0	-2.1	7.4
Energy & Functional Materials	-0.9	-1.3	-0.4	0	0.5	-0.9	-0.4
IT-related Chemicals	8.8	8.6	-0.2	-8.5	1.0	7.3	-0.2
Health & Crop Sciences	6.1	16.1	10.0	7.5	0	2.5	10.0
Pharmaceuticals	10.2	5.8	-4.4	0	-4.0	-0.4	-4.4
Others & Adjustments	-4.7	-3.0	1.7	0	1.0	0.7	1.7
Total	19.1	33.2	14.1	8.5	-1.5	7.1	14.1

Operating Income by Business Segments II

Unit; billions of yen

	Operating Income		Difference	Main Factors
	FY2014 1st Quarter	FY2015 1st Quarter		
Petrochemicals	-0.4	6.9	7.4	<ul style="list-style-type: none"> • Better margins for petrochemical products and synthetic resins due to lower feedstock prices
Energy & Functional Materials	-0.9	-1.3	-0.4	<ul style="list-style-type: none"> • Decrease in shipments of aluminum and resorcinol
IT-related Chemicals	8.8	8.6	-0.2	<ul style="list-style-type: none"> • Decline in selling prices of polarizing film and touchscreen panels • Increase in shipments of polarizing film and touchscreen panels
Health & Crop Sciences	6.1	16.1	10.0	<ul style="list-style-type: none"> • Higher market price for feed additive methionine • Positive effect of the weaker yen
Pharmaceuticals	10.2	5.8	-4.4	<ul style="list-style-type: none"> • Increase in R&D expenses and advertising expenses • Sales expansion of Latuda® in North America
Others & Adjustments	-4.7	-3.0	1.7	
Total	19.1	33.2	14.1	

Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-15	30-Jun-15	Difference		31-Mar-15	30-Jun-15	Difference
Current Assets	1,260.9	1,307.7	46.8	Liabilities	1,762.2	1,790.6	28.4
Cash and cash equivalents	202.0	245.9	43.9	Trade notes and accounts payable	258.2	228.1	-30.1
Trade notes and accounts receivable	456.1	456.0	-0.0	Interest-bearing Liabilities	980.2	1,038.7	58.5
Inventories	439.9	438.9	-1.0	Others	523.8	523.9	0.0
Others	163.0	167.0	4.0	Net Assets	1,118.2	1,166.9	48.7
Non-current Assets	1,619.5	1,649.7	30.3	Shareholders' equity	582.0	609.5	27.6
Property, plant and equipment	694.4	696.2	1.8	Accumulated other comprehensive income	209.4	222.4	13.1
Intangible assets	204.1	205.2	1.1	Non-controlling interests	326.9	334.9	8.0
Investment and other assets	721.0	748.3	27.4				
Total	2,880.4	2,957.5	77.1	Total	2,880.4	2,957.5	77.1

Shareholders' equity ratio	27.5%	28.1%	0.6%
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2014 1st Quarter	FY2015 1st Quarter	Difference
Cash flows from operating activities	-17.5	-3.7	13.8
Cash flows from investing activities	-20.6	0.8	21.3
Free cash flows	-38.1	-3.0	35.1
Cash flows from financing activities	56.7	45.3	-11.3
Effect of exchange rate changes on cash and cash equivalents	-1.1	3.3	4.3
Net change in cash and cash equivalents	17.5	45.6	28.1
Cash and cash equivalents (at June 30)	149.7	245.9	96.2

Major Subsidiaries

Company	Net Sales		Profit Trends
	FY2014 1st Quarter	FY2015 1st Quarter	
The Polyolefin Company (Singapore) (millions of USD)	375	335	Increased due to higher sales volume and better margins
Petrochemical Corporation of Singapore (millions of USD)	988	730	Improved due to better margins
Rabigh Refining and Petrochemical Company (millions of SAR)	14,236	7,648	Decreased due to margin erosion
Dongwoo Fine-Chem (billions of KRW)	547	562	Increased due to higher sales volume despite lower selling price
Valent U.S.A. and Subsidiaries (millions of USD)	249	226	Increased due to difference of product mix, despite lower sales volume due to timing difference



(Reference: Segment Information)

Net Sales by Business Segments (Quarterly)

	FY2014				FY2015	Unit: billions of yen FY2015 (estimated)	
	1Q	2Q	3Q	4Q	1Q	1st Half	2nd Half
Petrochemicals	227.6	243.3	238.3	223.1	198.5	365.0	350.0
Energy & Functional Materials	48.6	50.1	50.0	54.1	46.5	100.0	100.0
IT-related Chemicals	98.1	96.6	103.6	106.9	110.1	235.0	235.0
Health & Crop Sciences	73.8	67.6	77.2	126.8	82.0	165.0	220.0
Pharma- ceuticals	97.8	96.6	108.7	100.5	106.2	210.0	215.0
Others & Adjustments	11.0	17.2	16.8	42.5	13.4	25.0	30.0
Total	556.9	571.5	594.5	653.7	556.6	1,100.0	1,150.0

Operating Income by Business Segments (Quarterly)

Unit: billions of yen

	FY2014				FY2015	FY2015 (estimated)	
	1Q	2Q	3Q	4Q	1Q	1st Half	2nd Half
Petrochemicals	-0.4	1.8	5.8	13.7	6.9	10.5	6.5
Energy & Functional Materials	-0.9	0.1	0.9	0.6	-1.3	1.5	2.5
IT-related Chemicals	8.8	5.7	9.3	8.6	8.6	22.0	19.0
Health & Crop Sciences	6.1	5.3	11.1	33.6	16.1	20.5	42.5
Pharmaceuticals	10.2	5.2	12.1	1.4	5.8	13.0	19.0
Others & Adjustments	-4.7	-1.0	-4.0	-2.0	-3.0	-5.5	-6.5
Total	19.1	17.1	35.2	56.0	33.2	62.0	83.0