

Sumitomo Chemical Reports Consolidated Financial Results For the Three Months Ended June 30, 2013

The Sumitomo Chemical Group's consolidated financial results for the first quarter ended June 30, 2013 were as follows. Sales increased by ¥25.5 billion compared with the same period of the previous fiscal year, to ¥515.5 billion. The Group posted operating income of ¥24.6 billion, ordinary income of ¥25.4 billion and net income of ¥7.8 billion, all representing year-on-year increases.

The Sumitomo Chemical Group's financial results by business segment for the first quarter ended June 30, 2013 were as follows.

Basic Chemicals

Market prices remained low for methyl methacrylate and raw materials for synthetic fibers, and shipments of these products also remained low. Shipments of aluminum declined. On the other hand, the correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales were almost unchanged from the same period of the previous fiscal year at ¥66.8 billion, and there was an operating loss of ¥2.1 billion.

Petrochemicals & Plastics

Market prices of synthetic resins and petrochemical products rose due to higher feedstock prices. But shipments from overseas subsidiaries decreased due to maintenance work on the ethane cracker and other factors at Petro Rabigh. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales totaled ¥177.4 billion, almost unchanged from the same period of the previous fiscal year, and operating income increased by ¥2.0 billion, to ¥2.1 billion.

IT-related Chemicals

Sales of polarizing film used in liquid crystal displays (LCDs) increased due to a rise in demand. Sales grew as a newly-built touchscreen panel facility in South Korea began full-fledged operation in the third quarter of the previous fiscal year. As a result, including the positive effect of the correction of the yen's appreciation, the segment's sales increased by ¥15.8 billion compared with the same period of the previous fiscal year, to ¥86.1 billion, and operating income grew by ¥8.9 billion, to ¥10.0 billion.

Health & Crop Sciences

In the area of crop protection chemicals, shipments of herbicides and other products rose in overseas markets due to increased production capacity and sales expansion. Market prices of the feed additive methionine declined. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥8.8 billion compared with the same period of the previous fiscal year, to ¥76.0 billion, and operating income grew by ¥1.6 billion, to ¥8.1 billion.

Pharmaceuticals

In Japan, in addition to sales of Aimix® (anti-hypertension drug) that was launched in December last year, sales of Trerief® (therapeutic agent for Parkinson's disease) and Metgluco® (biguanide oral hypoglycemic) significantly increased. But overall sales declined as a result of a significant decline in shipments of other existing products. In North America, shipments of Xopenex® (short-acting beta-agonist) decreased sharply as marketing exclusivity ended, but shipments of Latuda® (atypical antipsychotic) continued to rise. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥0.8 billion compared with the same period of the previous fiscal year, to ¥97.6 billion, and operating income decreased by ¥1.9 billion, to ¥10.7 billion.

Others

In addition to the above five segments, the Sumitomo Chemical Group engages in supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis. The segment's sales remained almost unchanged from the same period of the previous fiscal year at ¥11.7 billion. Operating income declined by ¥0.3 billion, to ¥0.9 billion.

Summary of Consolidated Results

(1) Results of Operations:

	3 Months ended June 30, 2013		3 Months ended June 30, 2012
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Net sales	515,506	5,228,786	489,959
Operating income	24,588	249,396	13,008
Ordinary income	25,403	257,663	12,465
Income before income taxes and minority interests	24,074	244,183	10,630
Net income	7,777	78,882	904
	Yen	USD*	Yen
Net income per 1,000 shares	4,758	48	553
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Comprehensive income	53,802	545,715	28,415

(2) Financial Position:

	As of June 30, 2013		As of March 31, 2013
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Total assets	2,626,977	26,645,471	2,472,091
Total net asset	829,813	8,416,807	747,482

(3) Cash Flows:

	3 Months ended June 30, 2013		3 Months ended June 30, 2012
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Cash flows from operating activities	7,400	75,058	15,063
Cash flows from investing activities	(38,764)	(393,184)	(48,153)
Cash flows from financing activities	39,753	403,215	32,912
Cash and cash equivalents at end of period	135,497	1,374,348	151,576

(4) Results of Operations by Business Segment:

	3 Months ended June 30, 2013		3 Months ended June 30, 2012
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Net sales			
Basic Chemicals	66,804	677,594	66,554
Petrochemicals & Plastics	177,376	1,799,128	177,472
IT-related Chemicals	86,056	872,867	70,270
Health & Crop Sciences	75,999	770,859	67,153
Pharmaceuticals	97,619	990,151	96,837
Others	11,652	118,187	11,673
	515,506	5,228,786	489,959
Operating income (loss)			
Basic Chemicals	(2,082)	(21,118)	(2,543)
Petrochemicals & Plastics	2,110	21,402	108
IT-related Chemicals	10,036	101,795	1,152
Health & Crop Sciences	8,133	82,493	6,499
Pharmaceuticals	10,741	108,946	12,625
Others	898	9,108	1,153
Adjustments	(5,248)	(53,230)	(5,986)
	24,588	249,396	13,008

(Note)

*:U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥98.59= \$1 prevailing on June 30, 2013.