



Financial Results & Outlook for FY2009



May 11, 2009



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

1. Consolidated Financial Results for FY2008 Ended March 31, 2009

■ Financial Summary	2
■ Net Sales by Segment	3
■ Operating Income by Segment	4
■ Elements of Major Costs	5
■ Extraordinary Gains / Losses	6
■ Consolidated Balance Sheets	7
■ Consolidated Statements of Cash Flows	8
■ Major Subsidiaries	9

2. Outlook for FY2009

■ Financial Summary	11
■ Net Sales by Segment	12
■ Operating Income by Segment	13
■ Elements of Major Costs	14
■ Consolidated Statements of Cash Flows	15

3. Financial Analysis

■ Net Sales / Net Income	17
■ Operating Income / EBITDA	18
■ ROA / ROE	19
■ Shareholders' Equity to Total Assets / Interest-Bearing Debt Balance	20
(Reference; Segment Information)	
■ Capital Expenditures by Segment	22
■ Depreciation and Amortization by Segment	23
■ Research & Development Expenses by Segment	24
■ Estimated Capital Expenditures by Segment	25
■ Estimated Depreciation and Amortization by Segment	26
■ Estimated Research & Development Expenses by Segment	27

1.Consolidated Financial Results for FY2008 Ended March 31, 2009





Financial Summary

Unit; billions of yen

	FY2008	FY2007	Difference	Growth
Net Sales	1,788.2	1,896.5	108.3	5.7%
Operating Income	2.1	102.4	100.3	97.9%
(Equity in earnings of affiliates, included in ordinary income)	(12.8)	(11.2)	(24.0)	-
Ordinary Income	32.6	92.8	125.4	-
Net Income	59.2	63.1	122.2	-
ROE	9.0%	8.1%		
Naphtha Price (yen/KL)	58,900	61,500		
Exchange Rate (yen/US\$)	100.71	114.44		



Net Sales by Segment

Unit; billions of yen

	FY2008	FY2007	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	240.0	314.7	74.7	23.7%	18.0	56.7
Petrochemicals	553.0	603.3	50.4	8.3%	11.0	61.4
Fine Chemicals	80.8	92.9	12.2	13.1%	2.0	14.2
IT-related Chemicals	307.1	297.5	9.6	3.2%	21.0	30.6
Agricultural Chemicals	222.2	200.4	21.8	10.9%	9.0	12.8
Pharmaceuticals	235.6	237.6	2.0	0.8%	10.5	8.5
Others	149.5	150.1	0.5	0.4%	0.0	0.5
Total	1,788.2	1,896.5	108.3	5.7%	27.5	80.8
Overseas Operations	749.8	788.8	39.0	4.9%		



Operating Income by Segment

Unit; billions of yen

	Basic Chemicals	Petro-Chemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Total
Operating Income								
FY2008	15.3	30.3	1.6	1.0	24.4	32.4	9.6	2.1
FY2007	10.6	4.5	11.4	6.3	20.9	46.5	2.2	102.4
Difference	25.9	34.9	9.8	7.3	3.5	14.1	11.8	100.3
Price Variance	7.0	0	1.0	27.0	4.5	10.5	0.0	41.0
Sales Price Variance	18.0	11.0	2.0	21.0	9.0	10.5	0.0	27.5
Purchase Price Variance	11.0	11.0	3.0	6.0	4.5	0.0	0.0	13.5
Cost Variance	6.0	6.0	2.5	6.5	1.5	10.0	15.0	34.5
VC	1.5	0.5	0.0	18.0	1.5	0.0	0.0	21.5
FC	7.5	6.5	2.5	11.5	3.0	10.0	15.0	56.0
Shipping Volume Variance	12.9	28.9	6.3	13.2	0.5	6.4	3.2	24.8
Total	25.9	34.9	9.8	7.3	3.5	14.1	11.8	100.3

Elements of Major Costs

Unit; billions of yen

	FY2008	FY2007	Difference
Labor Costs	229.5	216.2	13.3
Maintenance Costs	52.5	50.2	2.2
Depreciation and Amortization	140.7	125.0	15.7
Research & Development Expenses	131.1	105.4	25.7
Capital Expenditures	134.1	142.5	8.4
Number of employees (at March 31)	26,902	25,588	1,314



Extraordinary Gains / Losses

Unit; billions of yen

	FY2008	FY2007	Difference
Gain on contribution of securities to retirement benefit trust	14.8	-	14.8
Reversal of provision for loss on litigation	1.1	-	1.1
Gain on sales of property, plant and equipment	1.0	4.7	3.7
Gain on sale of investment securities	0.9	6.7	5.9
Gain on change in equity by affiliate stock offering	-	28.8	28.8
Extraordinary Gains	17.7	40.2	22.5
Impairment loss on fixed assets	20.8	-	20.8
Restructuring charges	8.8	4.8	4.0
Loss on valuation of investment securities	4.1	-	4.1
Extraordinary Losses	33.8	4.8	29.0
Extraordinary Gains / Losses	16.1	35.5	51.6



Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08
Current Assets	838.1	1,003.2	Liabilities	1,246.9	1,352.9
Cash and cash equivalents	85.8	107.4	Trade notes and accounts	151.5	282.7
Trade notes and accounts	294.3	423.8	Short-term debt	277.3	202.6
Inventories	335.7	338.2	Long-term debt due within one year	41.2	85.6
Others	122.3	133.8	Long-term debt due after one year	476.9	385.7
Non-current Assets	1,184.4	1,355.8	Others	300.0	396.3
Property, plant and equipment	567.8	636.5	Net Assets	775.6	1,006.0
Intangible assets	63.4	83.9	Shareholders' equity	592.1	673.0
Investment securities	384.6	518.9	Valuation and translation adjustments	47.8	95.1
Others	168.6	116.5	Minority interests	231.3	237.9
Total	2,022.6	2,358.9	Total	2,022.6	2,358.9

Interest-bearing debt balance	795.4	673.9
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2008	FY2007	Difference
Cash flows from operating activities	78.4	156.6	78.2
Cash flows from investing activities	206.2	182.7	23.6
Free cash flows	127.8	26.1	101.7
Cash flows from financing activities	112.5	7.1	105.4
Others	6.3	0.3	6.6
Net increase (decrease) in cash and cash equivalents	21.6	18.8	2.8
Cash and cash equivalents at end of year	85.8	107.4	21.6



Major Subsidiaries

Unit: billions of yen

Company	Net Sales		Operating Income Status
	FY2008	FY2007	
The Polyolefin Company (Singapore)	126.9	139.3	Decreased because of squeezed margins caused by a sharp decline in selling prices and inventory write-downs.
Petrochemical Corporation of Singapore	306.4	337.1	Decreased because of product margins squeezed by soaring naphtha price.
Dongwoo Fine-Chem	180.2	182.5	Increased thanks to boost in shipments and cost reductions exceeding declines in selling prices.
Valent U.S.A. and Subsidiaries	42.7	40.1	Increased because of strong sales.

2. Outlook for FY2009



Financial Summary

Unit; billions of yen

	FY2009 (estimated)	FY2008	Difference	Growth
Net Sales	1,620.0	1,788.2	168.2	9.4%
Operating Income	35.0	2.1	32.9	-
(Equity in earnings of affiliates, included in ordinary income)	(8.0)	(12.8)	(20.8)	-
Ordinary Income	30.0	32.6	62.6	-
Net Income	10.0	59.2	69.2	-
ROE	1.8%	9.0%		
Naphtha Price (yen/KL)	35,000	58,900		
Exchange Rate (yen/US\$)	95.00	100.71		

Net Sales by Segment

Unit: billions of yen

	FY2009 (estimated)	FY2008	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	200.0	240.0	40.0	16.7%	44.5	4.5
Petrochemicals	505.0	553.0	48.0	8.7%	158.0	110.0
Fine Chemicals	75.0	80.8	5.8	7.1%	4.0	1.8
IT-related Chemicals	255.0	307.1	52.1	17.0%	39.0	13.1
Agricultural Chemicals	210.0	222.2	12.2	5.5%	10.0	2.2
Pharmaceuticals	230.0	235.6	5.6	2.4%	0	5.6
Others	145.0	149.5	4.5	3.0%	0	4.5
Total	1,620.0	1,788.2	168.2	9.4%	255.5	87.3

Operating Income by Segment

Unit; billions of yen

	Basic Chemicals	Petro-chemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Total
Operating Income								
FY2009(estimated)	8.5	2.0	4.0	0.0	25.0	17.0	4.5	35.0
FY2008	15.3	30.3	1.6	1.0	24.4	32.4	9.6	2.1
Difference	6.8	32.3	2.4	1.0	0.6	15.4	5.1	32.9
Price Variance	3.5	13.0	0.5	39.0	2.0	0.0	0.0	20.0
Sales Price Variance	44.5	158.0	4.0	39.0	10.0	0.0	0.0	255.5
Purchase Price Variance	48.0	171.0	4.5	0.0	12.0	0.0	0.0	235.5
Cost Variance	2.0	0.0	0.0	29.5	2.0	12.5	6.0	23.0
VC	0.0	1.0	0.5	17.0	1.5	0.0	0.0	20.0
FC	2.0	1.0	0.5	12.5	3.5	12.5	6.0	3.0
Shipping Volume Variance	1.3	19.3	1.9	10.5	0.6	2.9	0.9	29.9
Total	6.8	32.3	2.4	1.0	0.6	15.4	5.1	32.9



Elements of Major Costs

Unit; billions of yen

	FY2009 (estimated)	FY2008	Difference
Labor Costs	246.0	229.5	16.5
Maintenance Costs	50.0	52.5	2.5
Depreciation and Amortization	111.0	140.7	29.7
Research & Development Expenses	126.0	131.1	5.1
Capital Expenditures	110.0	134.1	24.1
Number of employees (at March 31)	28,000	26,902	1,098



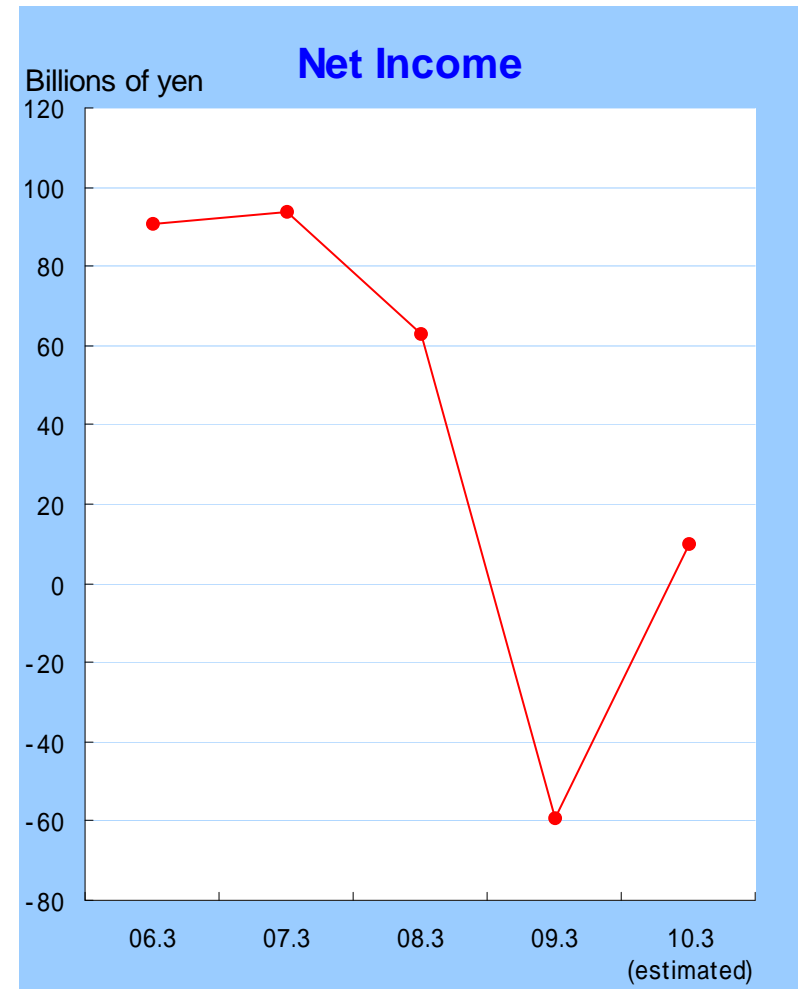
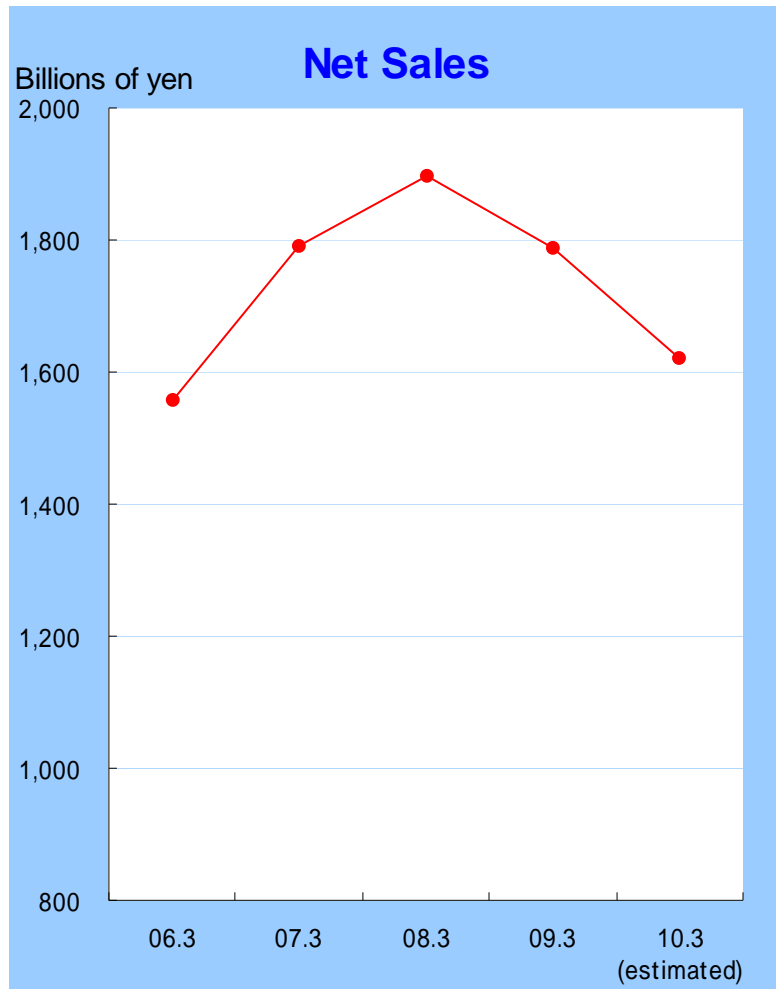
Consolidated Statements of Cash Flows

Unit; billions of yen

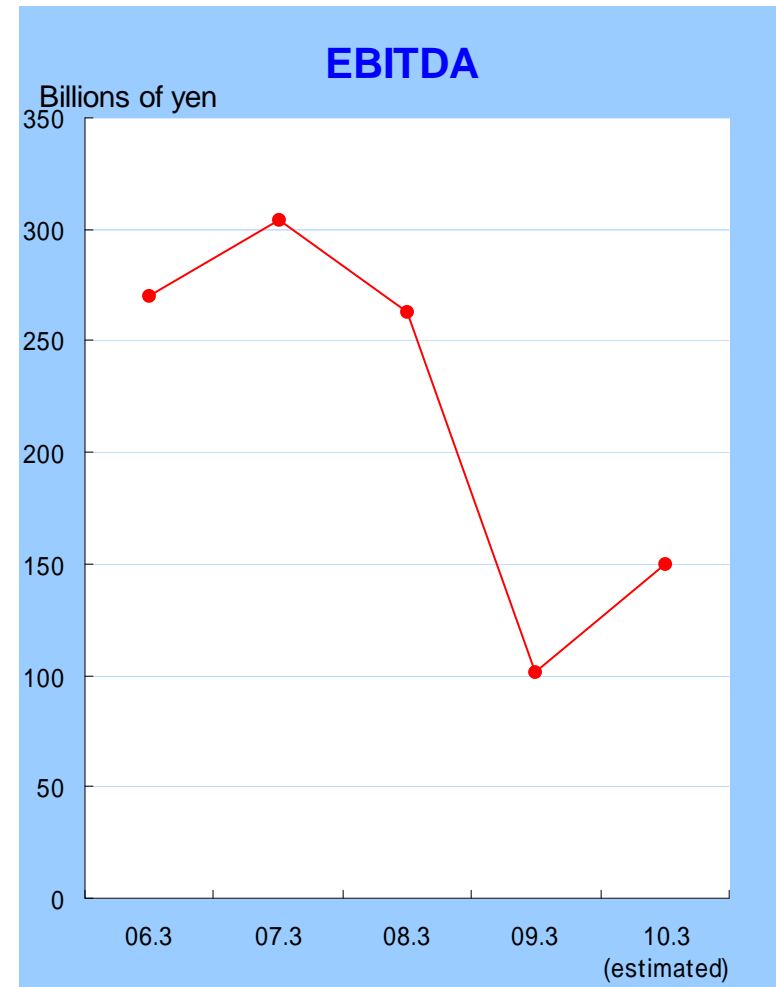
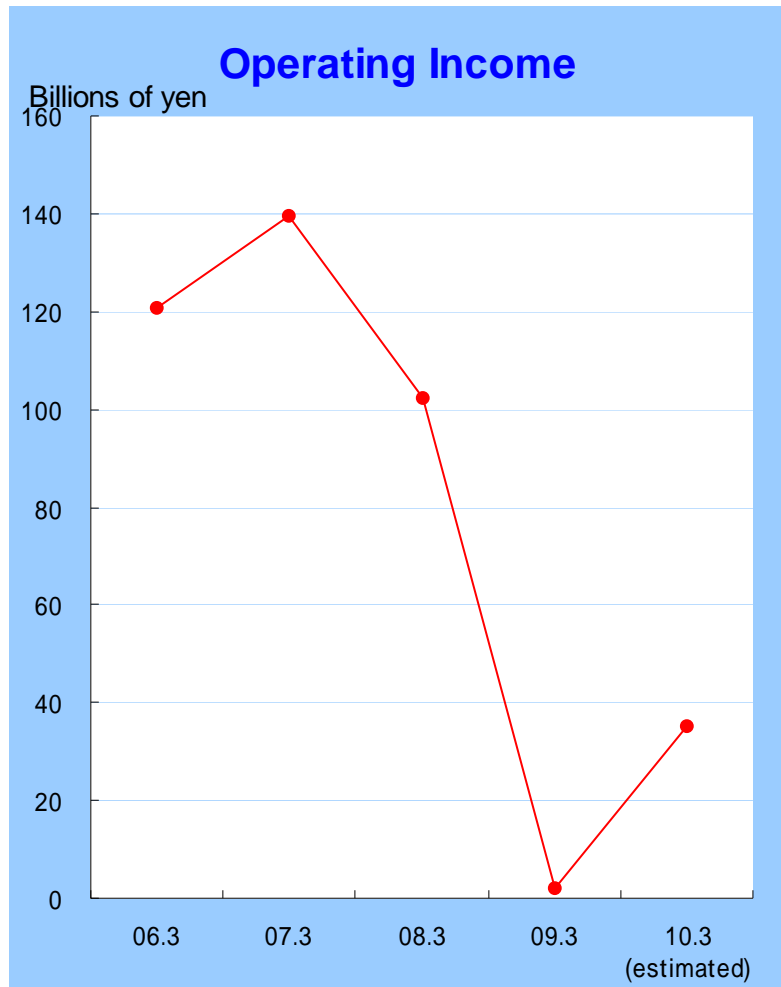
	FY2009 (estimated)	FY2008	Difference
Cash flows from operating activities	80.0	78.4	1.6
Cash flows from investing activities	125.0	206.2	81.2
Free cash flows	45.0	127.8	82.8
Cash flows from financing activities	45.0	112.5	67.5
Others	-	6.3	6.3
Net increase (decrease) in cash and cash equivalents	-	21.6	21.6
Interest-Bearing Debt Balance	850.0	795.4	54.6

3. Financial Analysis

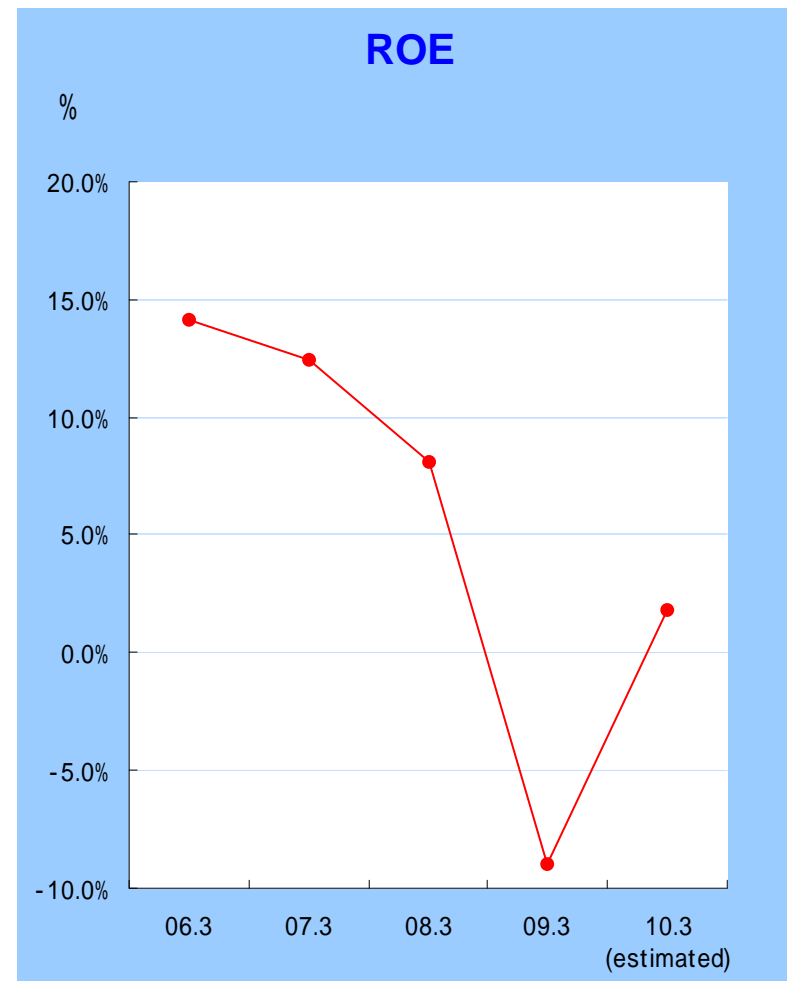
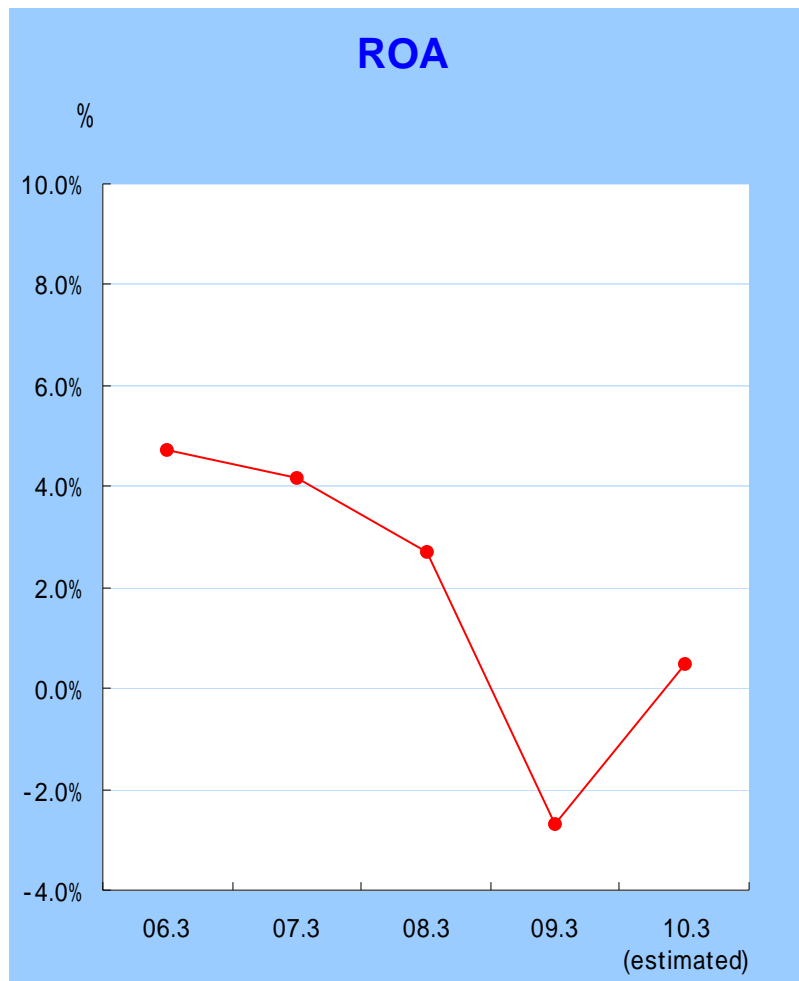
Financial Analysis - 1



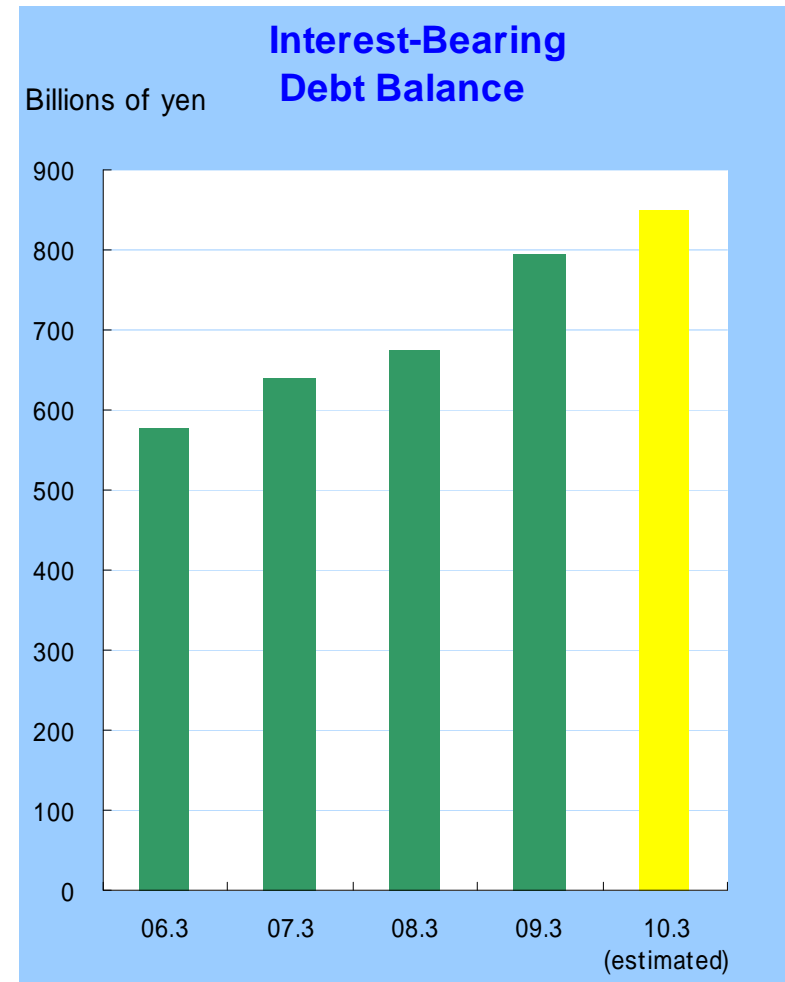
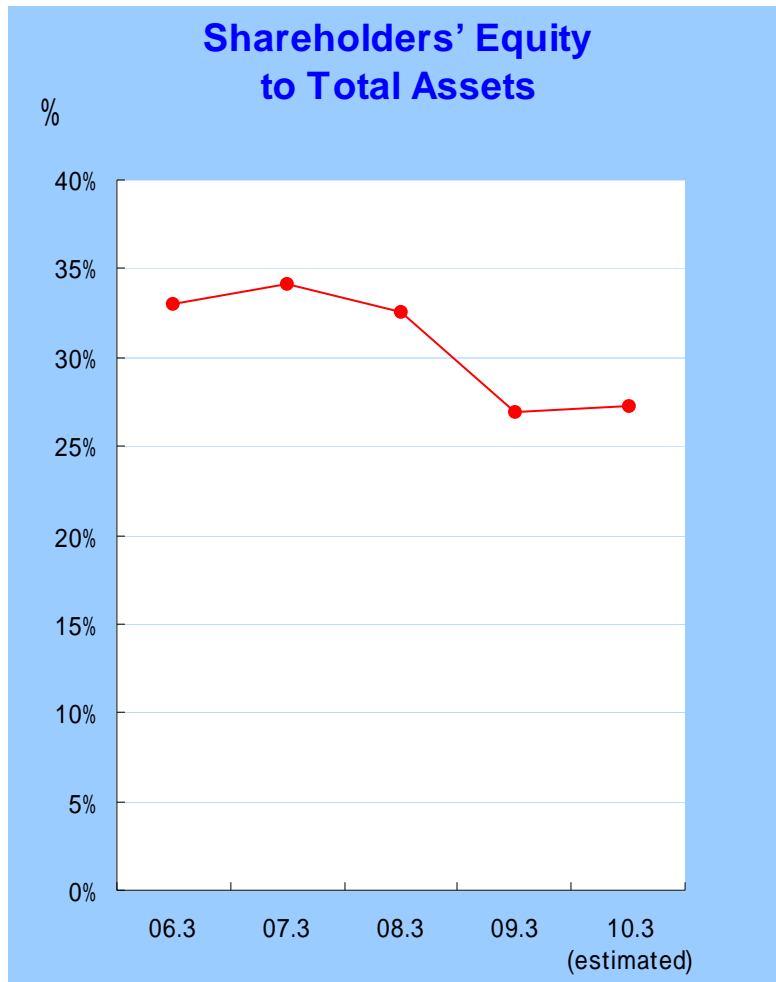
Financial Analysis - 2



Financial Analysis - 3



Financial Analysis - 4



(Reference; Segment Information)

Capital Expenditures by Segment

Unit: billions of yen

	FY2008	FY2007	Difference
Basic Chemicals	14.7	27.6	12.9
Petrochemicals	17.6	21.2	3.6
Fine Chemicals	7.7	6.9	0.8
IT-related Chemicals	50.6	33.4	17.3
Agricultural Chemicals	11.3	8.5	2.8
Pharmaceuticals	12.7	18.3	5.6
Others	19.6	26.7	7.1
Total	134.1	142.5	8.4

Depreciation and Amortization by Segment

Unit: billions of yen

	FY2008	FY2007	Difference
Basic Chemicals	17.2	13.3	3.9
Petrochemicals	20.9	18.4	2.6
Fine Chemicals	6.3	6.1	0.2
IT-related Chemicals	39.8	42.2	2.4
Agricultural Chemicals	13.1	12.8	0.3
Pharmaceuticals	14.5	15.4	0.9
Others	29.0	16.9	12.1
Total	140.7	125.0	15.7



Research & Development Expenses by Segment

Unit; billions of yen

	FY2008	FY2007	Difference
Basic Chemicals	6.4	6.1	0.3
Petrochemicals	12.0	11.1	0.9
Fine Chemicals	4.2	4.1	0.1
IT-related Chemicals	21.2	13.7	7.5
Agricultural Chemicals	20.7	19.4	1.3
Pharmaceuticals	55.0	47.7	7.3
Others	11.6	3.3	8.3
Total	131.1	105.4	25.7

Corporate R&D expenses are allocated to each business segments.



Estimated Capital Expenditures by Segment

Unit: billions of yen

	FY2009 (estimated)	FY2008	Difference
Basic Chemicals	18.0	14.7	3.3
Petrochemicals	11.5	17.6	6.1
Fine Chemicals	14.5	7.7	6.8
IT-related Chemicals	10.0	50.6	40.6
Agricultural Chemicals	19.5	11.3	8.2
Pharmaceuticals	13.5	12.7	0.8
Others	23.0	19.6	3.4
Total	110.0	134.1	24.1



Estimated Depreciation and Amortization by Segment

Unit; billions of yen

	FY2009 (estimated)	FY2008	Difference
Basic Chemicals	13.5	17.2	3.7
Petrochemicals	20.0	20.9	0.9
Fine Chemicals	6.0	6.3	0.3
IT-related Chemicals	24.0	39.8	15.8
Agricultural Chemicals	12.5	13.1	0.6
Pharmaceuticals	15.0	14.5	0.5
Others	20.0	29.0	9.0
Total	111.0	140.7	29.7



Estimated Research & Development Expenses by Segment

Unit; billions of yen

	FY2009 (estimated)	FY2008	Difference
Basic Chemicals	6.0	6.4	0.4
Petrochemicals	12.5	12.0	0.5
Fine Chemicals	4.5	4.2	0.3
IT-related Chemicals	13.0	21.2	8.2
Agricultural Chemicals	21.5	20.7	0.8
Pharmaceuticals	59.0	55.0	4.0
Others	9.5	11.6	2.1
Total	126.0	131.1	5.1

Corporate R&D expenses are allocated to each business segments.