



Financial Results of FY2011 First Quarter



July 29, 2011



Sumitomo Chemical Co., Ltd.



(Cautionary Statement)

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Financial Summary

Unit; billions of yen

	FY2010 1st Quarter	FY2011 1st Quarter	Difference	Growth
Net Sales	491.2	501.9	10.7	2.2%
Operating Income	34.0	34.8	0.7	2.1%
(Equity in earnings of affiliates, included in ordinary income)	(5.1)	(4.4)	(Δ0.7)	Δ13.3%
(Net loss on foreign currency transactions in ordinary income)	(Δ3.4)	(Δ0.5)	(2.9)	-
Ordinary Income	36.0	38.9	2.9	8.1%
Net Income	18.0	Δ9.8	Δ27.7	-
ROE	3.1%	Δ1.9%		
Naphtha Price (yen/KL)	49,700	59,500		
Exchange Rate (yen/US\$)	92.01	81.71		



Net Sales by Business Segments

Unit; billions of yen

	FY2010 1st Quarter	FY2011 1st Quarter	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	76.3	75.3	Δ1.0	Δ1.3%	5.5	Δ6.5
Petrochemicals	156.2	170.0	13.8	8.8%	20.0	Δ6.2
IT-related Chemicals	78.1	71.4	Δ6.6	Δ8.5%	Δ7.5	0.9
Health & Crop Sciences	62.7	71.5	8.8	14.1%	Δ1.0	9.8
Pharmaceuticals	109.9	102.5	Δ7.4	Δ6.7%	0.0	Δ7.4
Others	8.2	11.2	3.0	36.7%	0.0	3.0
Total	491.2	501.9	10.7	2.2%	17.0	Δ6.3

*With the changes in reported segments classification methods as of April 1,2011,the amount of the previous period has been modified for the purpose of reader's comparison. (All the segment information are modified in the same manner)



Results of Operations by Business Segments

Unit; billions of yen

	Basic Chemicals	Petro-chemicals	IT-related Chemicals	Health & Crop Sciences	Pharmaceuticals	Others	Adjustments	Total
Operating Income								
FY20101st Quarter	6.0	3.6	8.0	6.9	15.0	Δ 0.5	Δ 4.9	34.0
FY20111st Quarter	7.0	5.8	4.1	8.1	13.5	1.2	Δ 4.9	34.8
Difference	1.0	2.2	Δ 3.9	1.2	Δ 1.5	1.8	0.0	0.7
Price Variance	1.0	3.0	Δ 8.5	Δ 1.5	0.0	0.0	0.0	Δ 6.0
Sales Price Variance	5.5	20.0	Δ 7.5	Δ 1.0	0.0	0.0	0.0	17.0
Purchase Price Variance	Δ 4.5	Δ 17.0	Δ 1.0	Δ 0.5	0.0	0.0	0.0	Δ 23.0
Cost Variance	0.5	1.0	3.5	0.5	Δ 4.0	0.0	0.0	1.5
VC	0.0	0.0	3.0	0.0	0.0	0.0	0.0	3.0
FC	0.5	1.0	0.5	0.5	Δ 4.0	0.0	0.0	Δ 1.5
Shipping Volume Variance	Δ 0.5	Δ 1.8	1.1	2.2	2.5	1.8	0.0	5.2
Total	1.0	2.2	Δ 3.9	1.2	Δ 1.5	1.8	0.0	0.7



Extraordinary Gains / Losses

Unit; billions of yen

	FY2010 1st Quarter	FY2011 1st Quarter	Difference
Equity in losses of affiliates	-	29.0	29.0
Restructuring charges	0.3	0.6	0.3
Extraordinary Losses	0.3	29.6	29.3
Extraordinary Gains / Losses	Δ0.3	Δ29.6	Δ29.3



Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-11	30-Jun-11		31-Mar-11	30-Jun-11
Current Assets	1,098.3	1,147.0	Liabilities	1,608.4	1,645.0
Cash and cash equivalents	151.6	157.8	Trade notes and accounts	228.0	259.4
Trade notes and accounts	413.8	426.3	Short-term debt	259.0	251.4
Inventories	358.1	391.6	Long-term debt due within one year	80.1	76.3
Others	174.8	171.4	Long-term debt due after one year	701.2	728.2
Non-current Assets	1,269.0	1,255.7	Others	340.1	329.6
Property, plant and equipment	552.5	566.8	Net Assets	758.9	757.8
Intangible assets	184.8	179.0	Shareholders' equity	603.9	584.1
Investment securities	401.0	379.0	Valuation and translation adjustments	Δ81.5	Δ69.0
Others	130.6	131.0	Minority interests	236.4	242.6
Total	2,367.3	2,402.8	Total	2,367.3	2,402.8

Interest-bearing debt balance	1,040.3	1,055.9
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2010 1st Quarter	FY2011 1st Quarter	Difference
Cash flows from operating activities	28.1	24.0	Δ4.2
Cash flows from investing activities	Δ70.4	Δ23.4	47.0
Free cash flows	Δ42.2	0.6	42.8
Cash flows from financing activities	55.4	4.3	Δ51.1
Effect of exchange rate changes on cash and cash equivalents	0.6	1.4	0.8
Net change in cash and cash equivalents	13.7	6.3	Δ7.5
Cash and cash equivalents (at June 30)	134.4	157.8	23.4

Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY2010 1st Quarter	FY2011 1st Quarter	
The Polyolefin Company (Singapore)	28.4	32.5	Increased by better margins due to higher prices.
Petrochemical Corporation of Singapore	67.3	74.5	Decreased by deteriorated margins due to rising raw material prices.
Rabigh Refining and Petrochemical Company	258.7	330.9	Increased due to the full-scale contribution.
Dongwoo Fine-Chem	42.5	38.1	Decreased due to lower selling prices and unfavorable currency-exchange trends.
Valent U.S.A. and Subsidiaries	12.3	13.8	Increased due to higher sales.

Financial Estimates for 1st Half

Unit; billions of yen

	Estimates as of May-2011	Revised Estimates	Difference	Growth
Net Sales	1,020.0	1,000.0	Δ20.0	Δ2.0%
Operating Income	35.0	50.0	15.0	42.9%
Ordinary Income	40.0	51.0	11.0	27.5%
Net Income	22.0	0	Δ22.0	Δ100.0%
Naphtha Price (yen/KL)	60,000	57,800		
Exchange Rate (yen/US\$)	82.50	80.90		



Estimates of Net Sales and Operating Income by Business Segments for 1st Half

Unit; billions of yen

	Net Sales			Operating Income		
	FY2010 1st Quarter	FY2011 1st Quarter (Estimates)	Difference	FY2010 1st Quarter	FY2011 1st Quarter (Estimates)	Difference
Basic Chemicals	152.7	150.0	△2.7	11.8	13.0	1.2
Petrochemicals	317.5	340.0	22.5	5.8	9.0	3.2
IT-related Chemicals	163.9	150.0	△13.9	17.1	11.0	△6.1
Health & Crop Sciences	125.8	145.0	19.2	14.4	14.0	△0.4
Pharmaceuticals	204.6	195.0	△9.6	14.7	11.0	△3.7
Others & Adjustments	24.7	20.0	△4.7	△10.7	△8.0	2.7
Total	989.2	1,000.0	10.8	53.0	50.0	△3.0



Financial Estimates for Year

Unit; billions of yen

	Estimates as of May-2011	Revised Estimates	Difference	Growth
Net Sales	2,120.0	2,120.0	0.0	0.0%
Operating Income	80.0	80.0	0.0	0.0%
Ordinary Income	87.0	87.0	0.0	0.0%
Net Income	50.0	21.0	Δ29.0	Δ58.0%