



Financial Results of FY2012 Third Quarter



February 1, 2013



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

	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)	Difference	Growth Rate
Net Sales	1,443.9	1,422.3	-21.6	-1.5%
Operating Income	58.3	36.8	-21.6	-37.0%
(Equity in earnings / losses of affiliates, included in ordinary income)	(-0.3)	(6.0)	(6.3)	-
(Net gain / loss on foreign currency transactions, included in ordinary income)	(-5.9)	(1.7)	(7.6)	-
Ordinary Income	48.5	37.6	-10.9	-22.4%
(Extraordinary Gain / Losses)	(-31.5)	(-7.9)	(23.6)	-
(Income taxes)	(-17.6)	(-58.3)	(-40.7)	-
(Minority interests in income)	(-10.7)	(-12.1)	(-1.4)	-
Net Income	-11.3	-40.7	-29.4	-
ROE	-2.3%	-8.8%		
Naphtha Price (yen/KL)	55,200	55,400		
Exchange Rate (yen/USD)	78.98	79.95		



Net Sales by Business Segments

Unit; billions of yen

	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)	Difference	Growth Rate	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	215.6	193.7	-22.0	-10.2%	-20.0	-1.1	-0.9
Petrochemicals	491.6	505.5	13.9	2.8%	-29.5	48.6	-5.2
IT-related Chemicals	221.1	221.3	0.2	0.1%	-20.0	28.8	-8.5
Health & Crop Sciences	190.8	170.2	-20.6	-10.8%	-3.0	-12.3	-5.3
Pharmaceuticals	287.8	292.4	4.6	1.6%	-8.0	13.9	-1.3
Others	37.0	39.2	2.2	5.8%	0	2.2	0
Total	1,443.9	1,422.3	-21.6	-1.5%	-80.5	80.0	-21.1



Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)					
Basic Chemicals	10.9	-4.8	-15.6	-13.5	0.5	-2.6	-15.6
Petrochemicals	6.3	-1.7	-7.9	-12.0	3.0	1.1	-7.9
IT-related Chemicals	11.3	7.2	-4.1	-21.5	10.5	6.9	-4.1
Health & Crop Sciences	17.5	8.9	-8.6	-3.0	0	-5.6	-8.6
Pharmaceuticals	23.2	37.3	14.0	-8.0	11.0	11.0	14.0
Others & Adjustments	-10.9	-10.2	0.7	0	0	0.7	0.7
Total	58.3	36.8	-21.6	-58.0	25.0	11.4	-21.6



Extraordinary Gains / Losses

Unit; billions of yen

	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)	Difference
Gain on step acquisitions	-	1.5	1.5
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	0
Restructuring charges	2.9	6.5	3.6
Impairment loss	2.4	3.0	0.6
Equity in losses of affiliates	27.8	-	-27.8
Extraordinary Losses	33.0	9.4	-23.6
Extraordinary Gains / Losses	-31.5	-7.9	23.6

Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-12	31-Dec-12	Difference		31-Mar-12	31-Dec-12	Difference
Current Assets	1,102.1	1,066.7	-35.4	Liabilities	1,616.1	1,685.1	69.0
Cash and cash equivalents	147.1	122.5	-24.5	Trade notes and accounts payable	227.8	213.6	-14.2
Trade notes and accounts receivable	410.9	362.2	-48.7	Interest-bearing liabilities	1,053.0	1,125.4	72.4
Inventories	382.4	409.6	27.2	Others	335.3	346.1	10.8
Others	161.7	172.4	10.7	Net Assets	720.9	672.7	-48.2
Non-current Assets	1,234.9	1,291.0	56.2	Shareholders' equity	589.7	534.9	-54.8
Property, plant and equipment	594.9	622.1	27.2	Accumulated other comprehensive income	-103.4	-98.9	4.5
Intangible assets	142.2	173.6	31.4	Minority interests	234.7	236.7	2.0
Investment and other assets	497.8	495.3	-2.5				
Total	2,337.0	2,357.7	20.8	Total	2,337.0	2,357.7	20.8

Shareholders' equity ratio	20.8%	18.5%	-2.3%
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)	Difference
Cash flows from operating activities	102.4	70.0	-32.4
Cash flows from investing activities	-95.6	-138.1	-42.5
Free cash flows	6.8	-68.1	-74.8
Cash flows from financing activities	-2.5	42.8	45.3
Effect of exchange rate changes on cash and cash equivalents	-4.5	-0.4	4.1
Net change in cash and cash equivalents	-0.2	-25.7	-25.5
Cash and cash equivalents (as of December 31)	151.4	122.5	-28.9



Major Subsidiaries

Company	Net Sales		Profit Trends
	FY2011 3rd Quarter (year to date)	FY2012 3rd Quarter (year to date)	
The Polyolefin Company (Singapore) (millions of USD)	1,127	1,006	Decreased due to margin erosion
Petrochemical Corporation of Singapore (millions of USD)	2,618	2,605	Decreased due to margin erosion
Rabigh Refining and Petrochemical Company (millions of SAR)	36,783	46,345	Increased due to higher sales volume
Dongwoo Fine-Chem (billions of KRW)	1,590	1,737	Remained due to higher sales volume despite lower selling prices
Valent U.S.A. and Subsidiaries (millions of USD)	460	408	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	2,020.0	1,970.0	-50.0	- 2.5%
Operating Income	65.0	50.0	-15.0	- 23.1%
(Equity in earnings of affiliates, included in ordinary income)	(12.0)	(6.0)	(-6.0)	- 50.0%
Ordinary Income	62.0	45.0	-17.0	- 27.4%
Net Income	10.0	-50.0	-60.0	-
ROE	2.1%	-10.5%		
Naphtha Price (yen/KL)	55,000	56,000		
Exchange Rate (yen/USD)	80.00	81.00		



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	280.0	265.0	-15.0	-2.0	-7.0	-5.0
Petrochemicals	710.0	700.0	-10.0	1.0	-4.5	-5.5
IT-related Chemicals	310.0	295.0	-15.0	15.0	11.5	-3.5
Health & Crop Sciences	280.0	270.0	-10.0	32.0	30.0	-2.0
Pharmaceuticals	380.0	380.0	0	33.0	33.0	0
Others & Adjustments	60.0	60.0	0	-14.0	-13.0	1.0
Total	2,020.0	1,970.0	-50.0	65.0	50.0	-15.0

Reasons for the Revision

- Reversal of Deferred Tax Asset
¥ 32.4 billion
 - Restructuring Charges & Impairment Losses
(Restructuring of Petrochemical Business
at the Chiba Works, and others)
Approx. ¥ 18.0 billion
- Total Approx. ¥ 50.0 billion



Cost-Cutting measures

- 1) Reduction in executive compensation & manager's salaries
- 2) Revision of retirement pension plan
- 3) Freeze on hiring of experienced personnel
- 4) Drastic reduction of head-office fixed costs