



First Half Financial Results & Outlook for FY2013



November 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

	1st Half of FY2012	1st Half of FY2013	Difference	Ratio
Net Sales	961.4	1,050.8	89.4	9.3%
Operating Income	24.5	46.3	21.9	89.3%
(Equity in earnings of affiliates, included in ordinary income)	(1.4)	(-1.3)	(-2.7)	-
(Net gain / loss on foreign currency transactions, included in ordinary income)	(-3.7)	(1.6)	(5.3)	-
Ordinary Income	18.9	44.3	25.3	133.5%
(Extraordinary Gain / Loss)	(-5.3)	(-6.0)	(-0.7)	-
(Income taxes)	(-18.8)	(-16.2)	(2.6)	-
(Minority interests in income)	(-7.9)	(-9.6)	(-1.7)	-
Net Income	-13.1	12.5	25.6	-
ROE	-2.8%	2.3%		
Exchange Rate (yen/USD)	79.41	98.86		
Naphtha Price (yen/KL)	55,200	64,800		

Net Sales by Business Segments

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Basic Chemicals	132.9	136.9	4.1	3.1%	9.5	-11.3	5.9
Petrochemicals	343.2	368.9	25.7	7.5%	23.0	-30.2	33.0
IT-related Chemicals	144.0	181.8	37.7	26.2%	-16.5	18.8	35.4
Health & Crop Sciences	119.8	139.5	19.7	16.5%	-1.5	5.6	15.6
Pharmaceuticals	194.3	197.2	3.0	1.5%	0	-10.9	13.8
Others & Adjustments	27.2	26.4	-0.8	-3.0%	0	-0.8	0
Total	961.4	1,050.8	89.4	9.3%	14.5	-28.8	103.8
Overseas Operations	512.8	604.9	92.2	18.0%			
Overseas Ratio	53.3%	57.6%					

Operating Income by Business Segments

Unit; billions of yen

	Operating Income		Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
	1st Half of FY2012	1st Half of FY2013					
Basic Chemicals	-2.6	-4.8	-2.2	0.5	0	-2.7	-2.2
Petrochemicals	-0.2	3.9	4.1	5.0	2.5	-3.4	4.1
IT-related Chemicals	2.4	21.7	19.3	-11.0	11.0	19.3	19.3
Health & Crop Sciences	7.7	11.6	3.8	-3.0	-3.0	9.8	3.8
Pharmaceuticals	23.1	20.6	-2.5	0	7.0	-9.5	-2.5
Others & Adjustments	-6.0	-6.6	-0.7	0	0	-0.7	-0.7
Total	24.5	46.3	21.9	-8.5	17.5	12.9	21.9

Extraordinary Gains / Losses

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Gain on sale of investment securities	-	2.8	2.8
Fair value adjustment of contingent consideration	-	1.1	1.1
Extraordinary Gains	-	3.8	3.8
Impairment loss	0.4	4.6	4.2
Restructuring charges	2.2	4.3	2.1
Loss on valuation of investment securities	2.7	0.9	-1.8
Extraordinary Losses	5.3	9.8	4.5
Extraordinary Gains / Losses	-5.3	-6.0	-0.7

Consolidated Balance Sheets

Unit; billions of yen

	31-Mar-13	30-Sep-13	Difference		31-Mar-13	30-Sep-13	Difference
Current Assets	1,108.8	1,157.2	48.4	Liabilities	1,724.6	1,786.3	61.7
Cash and cash equivalents	126.9	143.2	16.2	Trade notes and accounts payable	256.1	255.6	-0.6
Trade notes and accounts receivable	404.3	388.7	-15.7	Interest-bearing liabilities	1,060.6	1,095.7	35.1
Inventories	410.5	427.6	17.2	Others	407.9	435.0	27.1
Others	167.1	197.8	30.7	Net Assets	747.5	851.6	104.1
Non-current Assets	1,363.3	1,480.6	117.4	Shareholders' equity	524.5	534.6	10.1
Property, plant and equipment	640.2	706.2	66.0	Accumulated other comprehensive income	-28.0	42.3	70.3
Intangible assets	185.1	186.4	1.3	Minority interests	251.0	274.7	23.7
Investment and other assets	537.9	588.0	50.1				
Total	2,472.1	2,637.8	165.8	Total	2,472.1	2,637.8	165.8

Shareholders' equity ratio	20.1%	21.9%	1.8%
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Consolidated Statements of Cash Flows

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Cash flows from operating activities	61.8	100.8	39.0
Cash flows from investing activities	-104.8	-80.0	24.8
Free cash flows	-43.0	20.9	63.8
Cash flows from financing activities	26.1	-4.6	-30.8
Effect of exchange rate changes on cash and cash equivalents	0.4	9.4	9.0
Net change in cash and cash equivalents	-16.4	25.6	42.0
Cash and cash equivalents (as of September 30)	131.8	143.2	11.4

Major Subsidiaries

Company	Net Sales		Profit Trends
	1st Half of FY2012	1st Half of FY2013	
The Polyolefin Company (Singapore) (millions of USD)	684	616	Improved due to better margins
Petrochemical Corporation of Singapore (millions of USD)	1,735	1,659	Improved due to better margins
Rabigh Refining and Petrochemical Company (millions of SAR)	30,842	24,385	Decreased due to low capacity utilization as a result of the blackout incident and other factors
Dongwoo Fine-Chem (billions of KRW)	1,133	1,099	Increased due to higher sales volume and other factors
Valent U.S.A. and Subsidiaries (millions of USD)	299	402	Increased due to higher sales volume and other factors

Financial Estimates for Year

Unit; billions of yen

	Previous Estimates	Revised Estimates	Difference	Ratio
Net Sales	2,350.0	2,230.0	-120.0	-5.1%
Operating Income	90.0	105.0	15.0	16.7%
(Equity in earnings of affiliates, included in ordinary income)	(10.0)	(3.0)	(-7.0)	-70.0%
Ordinary Income	90.0	100.0	10.0	11.1%
Net Income	30.0	30.0	0	0.0%
ROE	5.7%	5.6%		
Exchange Rate (yen/USD)	95.00	97.00		
Naphtha Price (yen/KL)	65,000	64,900		

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	330.0	280.0	-50.0	0	-7.0	-7.0
Petrochemicals	850.0	790.0	-60.0	5.0	5.5	0.5
IT-related Chemicals	390.0	380.0	-10.0	34.0	39.5	5.5
Health & Crop Sciences	335.0	320.0	-15.0	34.0	37.5	3.5
Pharmaceuticals	395.0	410.0	15.0	32.0	41.0	9.0
Others & Adjustments	50.0	50.0	0	-15.0	-11.5	3.5
Total	2,350.0	2,230.0	-120.0	90.0	105.0	15.0

(Reference Materials)

Major Cost Elements

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Depreciation and Amortization	59.5	55.8	-3.7
Research & Development Expenses	59.1	65.6	6.6
Capital Expenditures	55.8	78.6	22.8
Number of employees (as of September 30)	30,416	30,546	130

Capital Expenditures by Business Segments

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Basic Chemicals	13.3	11.3	-2.0
Petrochemicals	6.3	8.3	2.1
IT-related Chemicals	9.9	34.6	24.7
Health & Crop Sciences	14.5	8.9	-5.6
Pharmaceuticals	7.2	12.0	4.8
Others & Adjustments	4.6	3.4	-1.2
Total	55.8	78.6	22.8

Depreciation and Amortization by Business Segments

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Basic Chemicals	7.6	8.0	0.4
Petrochemicals	6.9	6.2	-0.7
IT-related Chemicals	8.5	11.7	3.2
Health & Crop Sciences	7.4	8.2	0.9
Pharmaceuticals	21.5	14.6	-6.9
Others & Adjustments	7.6	7.0	-0.6
Total	59.5	55.8	-3.7

Research & Development Expenses by Business Segments

Unit; billions of yen

	1st Half of FY2012	1st Half of FY2013	Difference
Basic Chemicals	2.9	3.1	0.2
Petrochemicals	3.5	3.8	0.3
IT-related Chemicals	6.0	7.5	1.6
Health & Crop Sciences	9.5	11.0	1.4
Pharmaceuticals	28.4	32.3	3.9
Others & Adjustments	8.7	7.9	-0.8
Total	59.1	65.6	6.6

Net Sales by Business Segments (Quarterly)

	FY2012				FY2013		Unit; billions of yen FY2013 (estimated)	
	1Q	2Q	3Q	4Q	1Q	2Q	1st Half	2nd Half (estimated)
Basic Chemicals	66.6	66.3	60.8	69.8	66.8	70.1	136.9	143.1
Petrochemicals	177.5	165.7	162.3	188.3	177.4	191.5	368.9	421.1
IT-related Chemicals	70.3	73.8	77.2	78.7	86.1	95.7	181.8	198.2
Health & Crop Sciences	67.2	52.6	50.5	92.3	76.0	63.5	139.5	180.5
Pharmaceuticals	96.8	97.4	98.2	86.2	97.6	99.6	197.2	212.8
Others & Adjustments	11.7	15.6	11.9	14.8	11.7	14.8	26.4	23.6
Total	490.0	471.4	460.9	530.2	515.5	535.3	1,050.8	1,179.2

Operating Income by Business Segments (Quarterly)

	FY2012				FY2013		Unit; billions of yen FY2013 (estimated)	
	1Q	2Q	3Q	4Q	1Q	2Q	1st Half	2nd Half (estimated)
Basic Chemicals	-2.5	-0.0	-2.2	-1.6	-2.1	-2.7	-4.8	-2.2
Petrochemicals	0.1	-0.3	-1.4	-1.6	2.1	1.7	3.9	1.6
IT-related Chemicals	1.2	1.3	4.8	4.5	10.0	11.7	21.7	17.8
Health & Crop Sciences	6.5	1.2	1.2	17.4	8.1	3.4	11.6	25.9
Pharmaceuticals	12.6	10.5	14.1	-6.4	10.7	9.9	20.6	20.4
Others & Adjustments	-4.8	-1.1	-4.2	-4.0	-4.4	-2.3	-6.6	-4.9
Total	13.0	11.5	12.3	8.2	24.6	21.7	46.3	58.7