



Financial Results of FY2008 First Quarter



July 31, 2008



Sumitomo Chemical Co., Ltd.



(Cautionary Statement)

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Financial Summary

Unit; billions of yen

	FY2008 1st Quarter	FY2007 1st Quarter	Difference	Growth
Net Sales	496.3	439.2	57.1	13.0%
Operating Income	24.7	25.6	△1.0	△3.8%
(Equity in earnings of affiliates, included in ordinary income)	(0.3)	(5.2)	(△4.9)	(△94.1%)
Ordinary Income	25.3	34.4	△9.1	△26.4%
Net Income	15.1	14.8	0.3	2.0%
ROE	2.0%	1.9%		
Naphtha Price (yen/KL)	70,000	57,800		
Exchange Rate (yen/US\$)	104.56	120.82		

Net Sales by Segment

Unit: billions of yen

	FY2008 1st Quarter	FY2007 1st Quarter	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	75.7	77.2	△1.6	△2.0%	△1.0	△0.6
Petrochemicals	164.8	143.9	21.0	14.6%	18.5	2.5
Fine Chemicals	24.3	23.1	1.2	5.3%	0.0	1.2
IT-related Chemicals	77.8	61.3	16.5	27.0%	△6.0	22.5
Agricultural Chemicals	54.2	47.2	7.1	15.0%	1.5	5.6
Pharmaceuticals	62.9	58.4	4.5	7.7%	△2.5	7.0
Others	36.6	28.1	8.4	29.9%	0.0	8.4
Total	496.3	439.2	57.1	13.0%	10.5	46.6



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 1st Quarter	1.6	△0.7	1.3	7.2	5.8	11.0	△1.5	24.7
FY2007 1st Quarter	4.3	2.3	3.4	△4.1	5.4	13.9	0.4	25.6
Difference	△2.7	△3.0	△2.1	11.3	0.4	△2.9	△1.9	△1.0
Price Variance	△1.5	△4.5	△1.0	△6.0	0.5	△2.5	0.0	△15.0
Sales Price Variance	△1.0	18.5	0.0	△6.0	1.5	△2.5	0.0	10.5
Purchase Price Variance	△0.5	△23.0	△1.0	0.0	△1.0	0.0	0.0	△25.5
Cost Variance	△1.5	△1.0	△0.5	7.5	△1.0	△5.0	△3.0	△4.5
VC	0.5	0.0	0.0	6.5	0.0	0.0	0.0	7.0
FC	△2.0	△1.0	△0.5	1.0	△1.0	△5.0	△3.0	△11.5
Shipping Volume Variance	0.3	2.5	△0.6	9.8	0.9	4.6	1.1	18.5
Total	△2.7	△3.0	△2.1	11.3	0.4	△2.9	△1.9	△1.0

Special Gains / Losses

Unit; billions of yen

	FY2008 1st Quarter	FY2007 1st Quarter	Difference
Gain on sale of property, plant and equipment	0.9	-	0.9
Gain on sale of investment securities	0.9	0.3	0.5
Special Gains	1.8	0.3	1.5
Restructuring charges	0.3	0.1	0.2
Special Losses	0.3	0.1	0.2
Special Gains / Losses	1.5	0.2	1.3



Consolidated Balance Sheets

Unit; billions of yen

	30-Jun-08	31-Mar-08		30-Jun-08	31-Mar-08
Current Assets	991.0	1,003.2	Liabilities	1,342.9	1,352.9
Cash and cash equivalents	98.4	107.4	Trade notes and accounts	278.3	282.7
Trade notes and accounts	419.0	423.8	Short-term debt	224.4	202.6
Inventories	339.1	338.2	Long-term debt due within one year	67.3	85.6
Others	134.4	133.8	Long-term debt due after one year	412.0	385.7
Non-current Assets	1,320.5	1,355.8	Others	360.9	396.3
Property, plant and equipment	612.6	636.5	Net Assets	968.6	1,006.0
Intangible assets	72.4	83.9	Shareholders' equity	676.7	673.0
Investment securities	516.2	518.9	Valuation and translation adjustments	55.6	95.1
Others	119.3	116.5	Minority interests	236.3	237.9
Total	2,311.5	2,358.9	Total	2,311.5	2,358.9

Interest-bearing debt balance	703.7	673.9
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Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2008 1st Quarter	FY2007 1st Quarter
Cash flows from operating activities	6.3	19.1
Cash flows from investing activities	△38.0	△62.5
Free cash flows	△31.7	△43.5
Cash flows from financing activities	23.9	14.8
Others	△1.2	0.5
Net decrease in cash and cash equivalents	△9.0	△28.3
Cash and cash equivalents at end of year	98.4	97.8



Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY2008 1st Quarter	FY2007 1st Quarter	
The Polyolefin Company (Singapore)	38.0	31.8	Decreased owing to margin compression for polypropylene.
Petrochemical Corporation of Singapore	92.9	82.1	Decreased because of product margins squeezed by soaring naphtha price.
Dongwoo Fine-Chem	47.8	38.3	Increased thanks to boost in shipments and cost reductions exceeding declines in selling prices.
Valent U.S.A. and Subsidiaries	10.2	10.4	Increased slightly due to strong sales.