

Financial Results for FY2021 First Quarter

August 3, 2021



(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.

Financial Results for FY2021 First Quarter

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(Reference: Segment Information)

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Financial Results for FY2021 First Quarter

Unit; Billions of yen

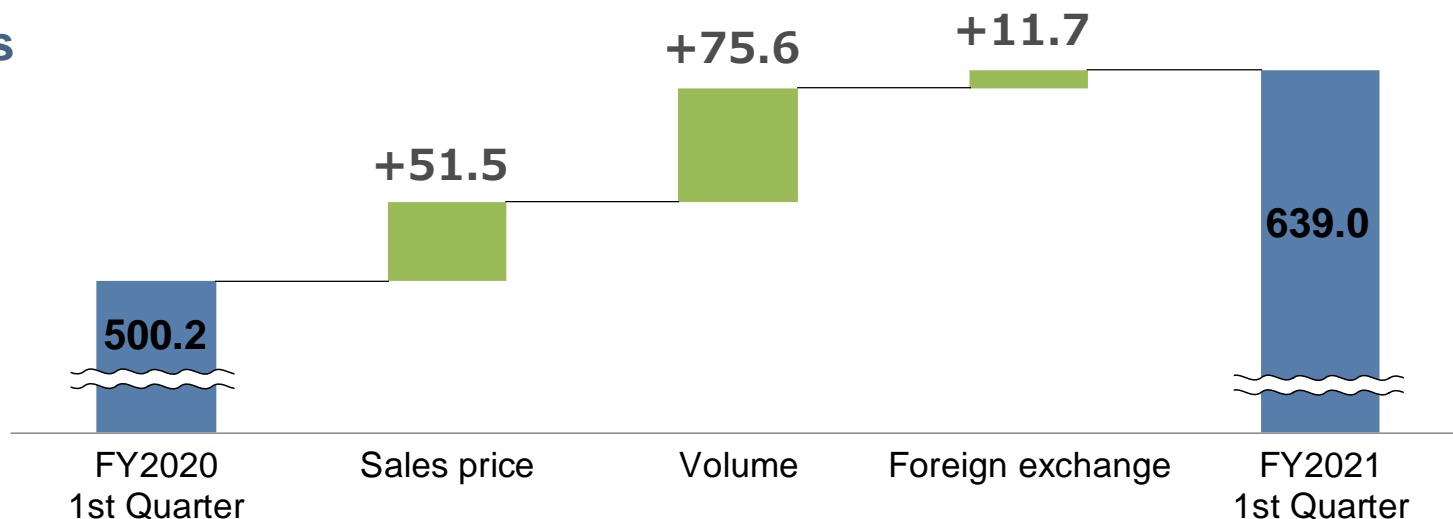
	FY2020 1st Quarter	FY2021 1st Quarter	Difference	Ratio
Sales revenue	500.2	639.0	138.8	27.7%
Core operating income	19.9	61.7	41.8	210.5%
(Equity in earnings)	(-13.3)	(14.7)	(28.0)	-
Non-recurring items	-1.4	-3.3	-1.9	-
Operating income	18.5	58.3	39.9	215.9%
Finance income/expenses	-4.9	-1.7	3.2	-
(Gain/loss on foreign currency transactions)	(-4.5)	(-0.3)	(4.2)	-
Income tax expenses	-12.2	-17.8	-5.6	-
Net income attributable to non-controlling interests	-8.7	-3.2	5.5	-
Net income attributable to owners of the parent	-7.3	35.7	43.0	-
ROE	-0.8%	3.5%		
Exchange rate(yen/\$)	107.63	109.52		
Naphtha price(yen/KL)	25,000	47,500		
Overseas sales revenue ratio	67.8%	68.7%		

※ During FY 2020, we finalized the provisional accounting treatment for business combinations.
As a result, figures for FY 2020 1st Quarter are retrospectively adjusted to reflect the revision of the initially allocated amounts of acquisition price.

Unit; Billions of yen

	FY2020 1st Quarter	FY2021 1st Quarter	Difference	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Petrochemicals & Plastics	108.2	199.5	91.3	84.3%	51.0	36.8	3.5
Energy & Functional Materials	48.3	74.4	26.0	53.9%	3.5	21.2	1.3
IT-related Chemicals	103.8	109.3	5.4	5.2%	-3.5	7.3	1.6
Health & Crop Sciences	88.9	103.1	14.2	16.0%	2.5	8.6	3.1
Pharmaceuticals	140.8	139.2	-1.6	-1.1%	-2.0	-1.7	2.1
Others & Adjustments	10.1	13.6	3.4	33.8%	0.0	3.4	0.0
Total	500.2	639.0	138.8	27.7%	51.5	75.6	11.7

Analysis

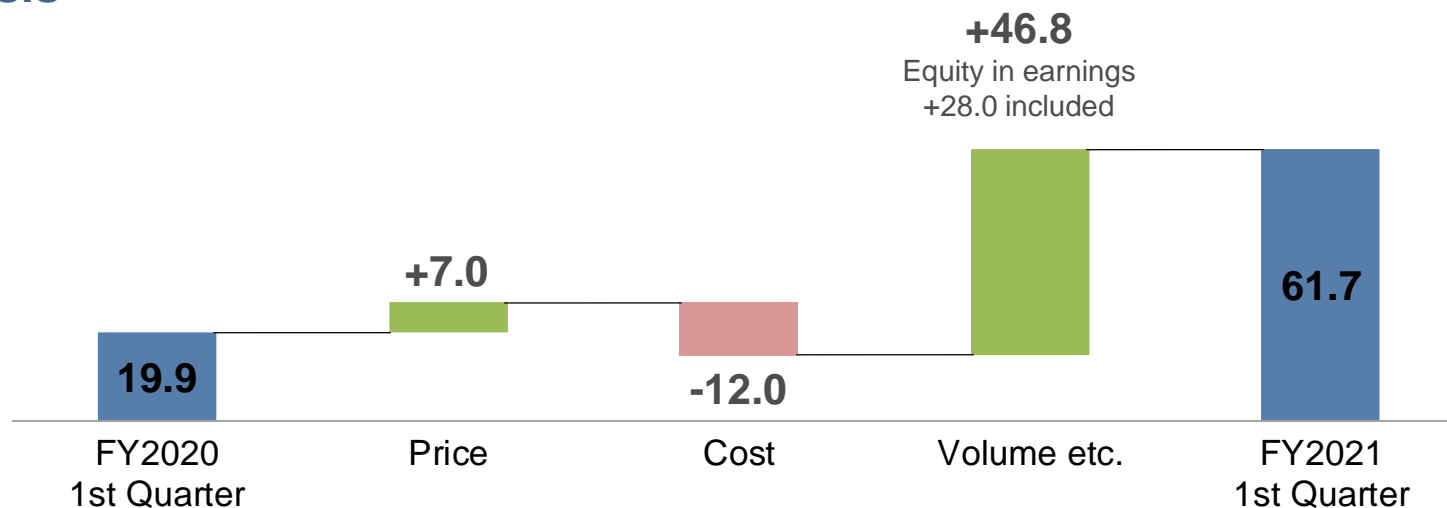


Core Operating Income by Business Segment

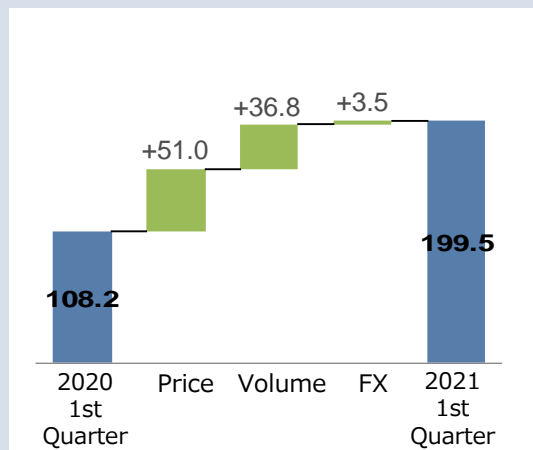
Unit; Billions of yen

	FY2020 1st Quarter	FY2021 1st Quarter	Difference	Price variance	Cost variance	Shipping volume variance and other
Petrochemicals & Plastics	-19.9	23.8	43.7	12.5	-1.5	32.7
Energy & Functional Materials	2.0	6.7	4.7	-1.0	-0.5	6.2
IT-related Chemicals	9.9	13.5	3.6	-3.5	-1.0	8.1
Health & Crop Sciences	3.6	10.3	6.7	1.0	1.0	4.7
Pharmaceuticals	24.5	9.6	-14.9	-2.0	-10.0	-2.9
Others & Adjustments	-0.2	-2.3	-2.1	0.0	0.0	-2.1
Total	19.9	61.7	41.8	7.0	-12.0	46.8

Analysis



Sales Revenue



Total ¥199.5 billion (+91.3 from FY2020 1st Quarter)

Sales price

+51.0

- Higher market prices

Volume

+36.8

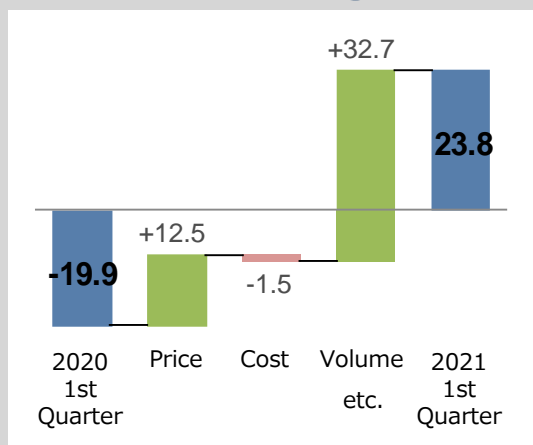
- Increase in shipments of Rabigh products due to periodic shutdown maintenance in the same period of previous fiscal year.
- Recovery of shipments from the lower sales volume in the same period of previous fiscal year due to the COVID-19 pandemic.

Foreign exchange

+3.5

Core Operating Income

Total ¥23.8 billion (+43.7 from FY2020 1st Quarter)



Price variance

+12.5

- Increase in profit margin on raw materials for synthetic fibers and synthetic resins

Cost variance

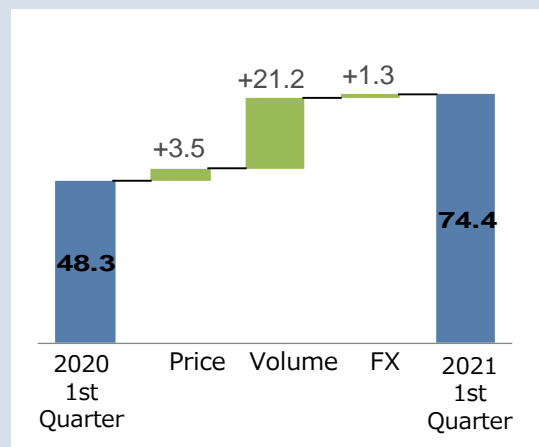
-1.5

Volume variance etc.

+32.7

- Increase in equity in earnings from investments in affiliates
- Recovery of shipments from the lower sales volume in the same period of previous fiscal year due to the COVID-19 pandemic.

Sales Revenue



Total ¥74.4 billion (+26.0 from FY2020 1st Quarter)

Sales price

+3.5

- Higher selling price of aluminum
- Higher selling price of cathode materials

Volume

+21.2

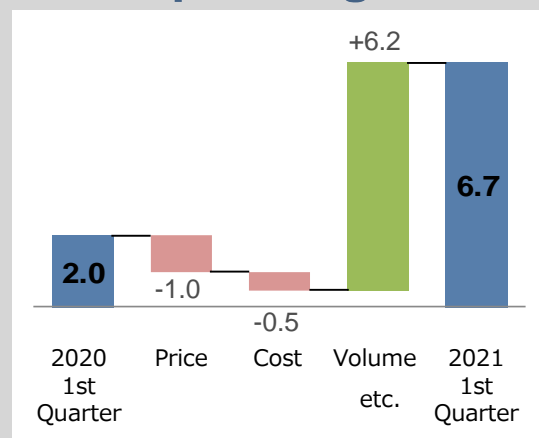
- Increase in shipment of lithium-ion secondary battery separator
- Recovery of shipments from the lower sales volume in the same period of previous fiscal year due to the COVID-19 pandemic.

Foreign exchange

+1.3

Core Operating Income

Total ¥6.7 billion (+4.7 from FY2020 1st Quarter)



Price variance

-1.0

Cost variance

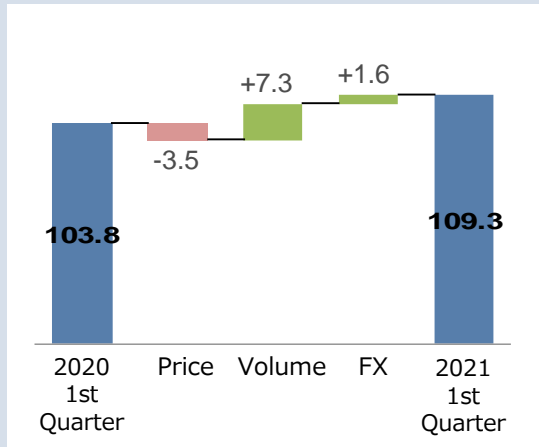
-0.5

Volume variance etc.

+6.2

- Increase in shipment of lithium-ion secondary battery separator
- Recovery of shipments from the lower sales volume in the same period of previous fiscal year due to the COVID-19 pandemic.

Sales Revenue



Total ¥109.3 billion (+5.4 from FY2020 1st Quarter)

Sales price

-3.5

- Decline in the selling price of polarizing film

Volume

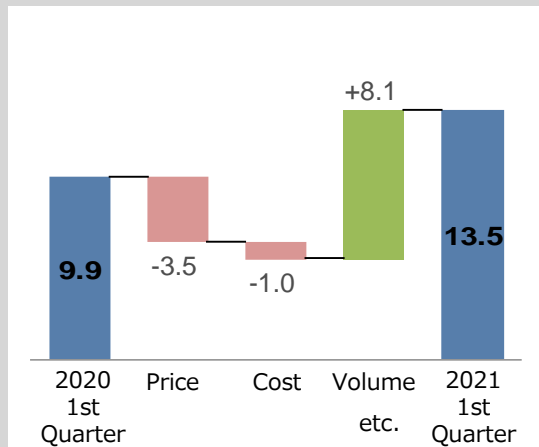
+7.3

- Increase in shipments of processing materials for semiconductors
- Increase in shipments of materials for display applications

Foreign exchange

+1.6

Core Operating Income



Total ¥13.5 billion (+3.6 from FY2020 1st Quarter)

Price variance

-3.5

- Decline in the selling price of polarizing film

Cost variance

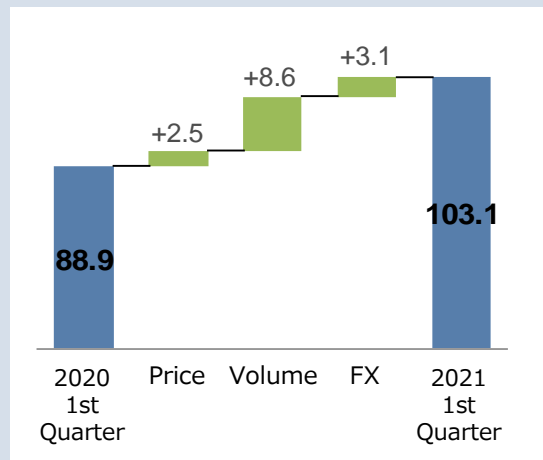
-1.0

Volume variance etc.

+8.1

- Increase in shipments of processing materials for semiconductors
- Increase in shipments of materials for display applications

Sales Revenue



Total ¥103.1 billion (+14.2 from FY2020 1st Quarter)

Sales price

+2.5

- Higher market price for feed additive methionine

Volume

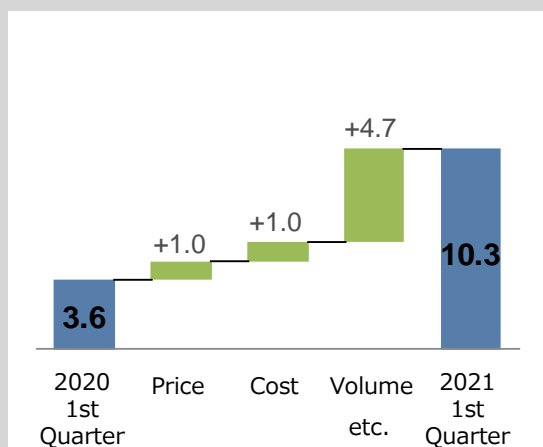
+8.6

- Increase in shipments of crop protection products in North America, South America and India

Foreign exchange

+3.1

Core Operating Income



Total ¥10.3 billion (+6.7 from FY2020 1st Quarter)

Price variance

+1.0

- Increase in profit margin on feed additive methionine

Cost variance

+1.0

- Change in timing of recording expenses

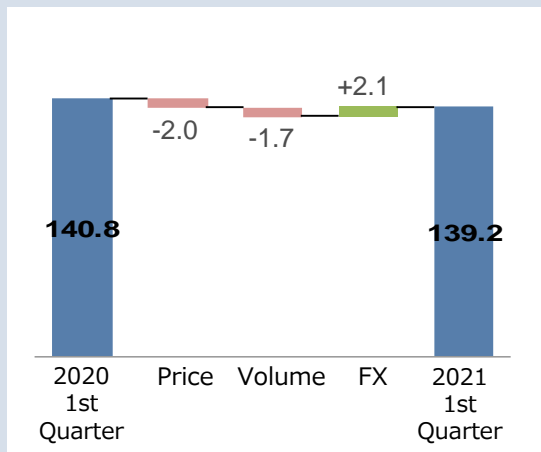
Volume variance etc.

+4.7

- Increase in shipments of crop protection products in North America, South America and India

Sales Revenue

Total ¥139.2 billion (-1.6 from FY2020 1st Quarter)



Sales price

-2.0

- NHI price revisions in Japan

Volume

-1.7

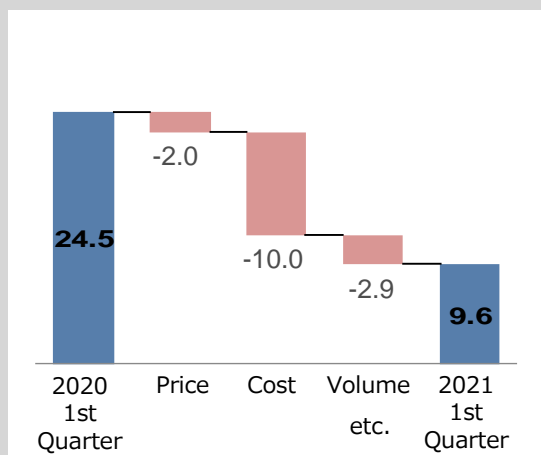
- Increase in shipments for Sumitovant , but decrease in shipments of Brovana® and Latuda® in North America

Foreign exchange

+2.1

Core Operating Income

Total ¥9.6 billion (-14.9 from FY2020 1st Quarter)



Price variance

-2.0

- NHI price revisions in Japan

Cost variance

-10.0

- Increase in SG&A expenses of Sumitovant

Volume variance etc.

-2.9

- Decrease in shipments of Brovana® and Latuda® in North America

Unit; Billions of yen

	FY2020 1st Quarter	FY2021 1st Quarter	Difference
Restructuring charges	-0.5	-1.7	-1.1
Impairment loss	-	-1.6	-1.6
Changes in fair value of contingent consideration	-1.2	-0.1	1.2
Gain on sale of property, plant and equipment	1.7	0.0	-1.6
Others	-1.3	-0.0	1.3
Non-recurring items	-1.4	-3.3	-1.9

				Unit; Billions of yen			
	31-Mar-21	30-Jun-21	Difference		31-Mar-21	30-Jun-21	Difference
Current assets	1,584.5	1,698.5	114.0	Liabilities	2,508.1	2,589.4	81.2
Cash and cash equivalents	360.9	366.5	5.5	Trade and other payables	522.9	557.4	34.5
Trade and other receivables	652.6	674.1	21.5	Interest-bearing Liabilities	1,351.1	1,420.9	69.8
Inventories	511.5	558.2	46.7	Others	634.2	611.1	-23.1
Others	59.4	99.7	40.3	Equity	1,482.1	1,503.7	21.6
Non-current assets	2,405.8	2,394.6	-11.2	Shareholders' equity	962.8	989.5	26.7
Property, plant and equipment	793.5	786.2	-7.3	Other components of equity	56.4	56.1	-0.3
Goodwill and Intangible assets	670.5	670.7	0.2	Non-controlling interests	462.9	458.1	-4.8
Others	941.8	937.6	-4.2				
Total	3,990.3	4,093.1	102.8	Total	3,990.3	4,093.1	102.8
				Equity attributable to owners of parent to total assets	25.5%	25.5%	0.0%
				D/E ratio (times)	0.9	0.9	0.0

Unit; Billions of yen

	FY2020 1st Quarter	FY2021 1st Quarter	Difference
Cash flows from operating activities	55.6	4.7	-50.9
Cash flows from investing activities	-44.2	-41.3	2.9
Free cash flows	11.4	-36.6	-48.0
Cash flows from financing activities	126.6	41.5	-85.1
Effect of exchange rate changes on cash and cash equivalents	11.0	0.7	-10.4
Net change in cash and cash equivalents	149.1	5.5	-143.5
Cash and cash equivalents at end of period	329.7	366.5	36.8

(Reference: Segment Information)

Unit; Billions of yen

	FY2020				FY2021	FY2021 (Estimated)
	1Q	2Q	3Q	4Q	1Q	
Petrochemicals & Plastics	108.2	135.4	164.8	180.9	199.5	760.0
Energy & Functional Materials	48.3	56.9	70.1	69.9	74.4	280.0
IT-related Chemicals	103.8	109.4	111.0	107.6	109.3	435.0
Health & Crop Sciences	88.9	97.2	96.4	140.6	103.1	460.0
Pharmaceuticals	140.8	135.4	141.4	128.9	139.2	610.0
Others & Adjustments	10.1	12.3	12.1	16.5	13.6	65.0
Total	500.2	546.6	595.8	644.4	639.0	2,610.0

Unit; Billions of yen

	FY2020				FY2021	FY2021 (Estimated)
	1Q	2Q	3Q	4Q	1Q	
Petrochemicals & Plastics	-19.9	-11.4	3.4	15.9	23.8	36.0
Energy & Functional Materials	2.0	2.8	10.8	4.7	6.7	19.0
IT-related Chemicals	9.9	12.3	9.7	7.9	13.5	40.0
Health & Crop Sciences	3.6	5.8	2.0	20.3	10.3	38.0
Pharmaceuticals	24.5	24.5	25.7	-3.1	9.6	67.0
Others & Adjustments	-0.2	-0.3	1.0	-4.1	-2.3	0.0
Total	19.9	33.6	52.6	41.5	61.7	200.0

※ During FY 2020, we finalized the provisional accounting treatment for business combinations.

As a result, figures for FY 2020 are retrospectively adjusted to reflect the revision of the initially allocated amounts of acquisition price.

Company	Sales Revenue		Profit Trends
	FY2020 1st Quarter	FY2021 1st Quarter	
The Polyolefin Company (Singapore) (Millions of USD)	215	326	↗ Profit margins improved.
Petrochemical Corporation of Singapore (Millions of USD)	390	707	↗ Profit margins improved.
Rabigh Refining and Petrochemical Company (Millions of SAR)	4,062	10,136	↗ Largely due to periodic shutdown maintenance in last fiscal year, and Improved margins on oil refining and petrochemical products.
Dongwoo Fine-Chem (Billions of KRW)	651.7	586.5	↘ Decrease in profit due to a change in product mix.
Valent U.S.A. and Subsidiaries (Millions of USD)	159	190	↗ Profit increased due to higher shipment volume and other factors.