

September 30, 2010

Sumitomo Chemical Announces Write-Down of Investment in an Affiliate and One-Time Amortization of Goodwill

Sumitomo Chemical has announced that, on a non-consolidated basis, it will recognize a loss on a write-down of its investment in an affiliate, the fair value of which has significantly declined, for the three months ended September 30, 2010.

Consequently, the Company has announced one-time amortization of goodwill of the affiliate on a consolidated basis.

1. Losses on Write-Down of Investment in Affiliate and One-Time Amortization of Goodwill for the Three Months Ended September 30, 2010

	Non-consolidated	Consolidated
(A) Losses on write-down of Investment in an affiliate (non-consolidated basis) and one-time amortization of goodwill (consolidated basis) for the three months ending September 30, 2010 (=a-b)	¥40.6 bn	¥28.7 bn
(a) Losses on write-down of Investment in an affiliate (non-consolidated basis) and one-time amortization of goodwill (consolidated basis) for the six months ending September 30, 2010	¥40.6 bn	¥28.7 bn
(b) Losses on write-down of Investment in an affiliate (non-consolidated basis) and one-time amortization of goodwill (consolidated basis) for the three months ended June 30, 2010	¥ - bn	¥ - bn

* The method used for valuation of securities at the end of each quarter is the reversal method.

* The Company's fiscal year ends on March 31.

○ Comparison with net assets, ordinary income, and net income

	Non-consolidated	Consolidated
(B) Net assets as of March 31, 2010	¥384.5 bn	¥821.4 bn
(A/B×100)	10.6%	3.5%
(a/B×100)	10.6%	3.5%
(C) Ordinary income for the twelve months ended March 31, 2010	¥20.4 bn	¥35.0 bn
(A/C×100)	198.8%	82.2%
(a/C×100)	198.8%	82.2%
(D) Net income for the twelve months ended March 31, 2010	¥26.1 bn	¥14.7 bn
(A/D×100)	155.3%	195.1%
(a/D×100)	155.3%	195.1%

2. Outlook

On a non-consolidated basis, the company expects to recognize losses on a write-down of the above ¥40.6 billion as an extraordinary loss. On a consolidated basis, the company expects to recognize a one-time amortization of goodwill of the above ¥28.7 billion as an extraordinary loss.

The consolidated financial forecasts for the six months ending September 30, 2010 and for the twelve months ending March 31, 2011 are currently being calculated. The Company will announce the forecasts as soon as they have been prepared.