

Sumitomo Chemical Announces Revisions to its Consolidated Financial Forecast and Projected Dividend for Fiscal 2011

Based on recent performance trends, Sumitomo Chemical Co., Ltd. (“the Company”) has revised its consolidated full-year financial forecast and projected dividend announced on October 31, 2011 for fiscal 2011 ending March 31, 2012 as detailed below.

1. Revision to Consolidated Financial Forecast for the Full-Year Ending March 31, 2012

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share (Yen)
Previous Forecast (A)	2,020,000	75,000	72,000	10,000	6.12
Revised Forecast (B)	1,990,000	65,000	54,000	0	0.00
Variance in Amount (B-A)	-30,000	-10,000	-18,000	-10,000	
Variance in Percentage (%)	-1.5	-13.3	-25.0	-100.0	
Results for Full-Year Ended March 31, 2011	1,982,435	87,957	84,091	24,434	14.86

(Reasons for the Revision)

The company expects its full-year sales results to be lower than previously forecast because of lower shipment volumes due to weak demand and lower sales prices due to declines in the prices of naphtha and other feedstocks. Full-year results for operating income are expected to be lower than previously forecast because of the decline in sales volumes, and because of the margin decline, primarily in the Petrochemicals & Plastics and Basic Chemicals segments. Full-year results for both ordinary income and net income are expected to be lower than previously forecast because of lower equity in earnings of affiliates, in addition to the decline in operating income.

For the revised full-year forecast, the Company assumes an exchange rate in the fourth quarter of ¥77.5 per dollar (same as its previous estimate), and a domestic naphtha price in the fourth quarter of ¥53,000 per kiloliter (¥54,000 for its previous estimate).

2. Revision to Projected Dividend for Fiscal 2011

	Dividend per Share		
	Dividend at End of First Half of Fiscal 2011	Dividend at End of Fiscal 2011	Total
	Yen	Yen	Yen
Previous Estimates	—	6.00	12.00
Revised Estimates	—	3.00	9.00
Dividend Paid	6.00	—	—
Dividend for Fiscal 2010	3.00	6.00	9.00

(Reasons for the Revision)

The Company places a high priority on shareholder return and makes it a policy to maintain a stable dividend while comprehensively taking into consideration financial results for each fiscal year, its dividend payout ratio and the amount of retained earnings necessary for business development.

Nevertheless, the Company has revised its projected year-end dividend to ¥3 per share (previously projected at ¥6 per share) because the Company expects its consolidated full-year financial results for fiscal 2011 to be lower than previously forecast.

As a result, the Company's projected dividend will be ¥9 per share on a full-year basis, the same level as for FY2010.

Cautionary Statement

Statements made in this document 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.