

Sumitomo Chemical Announces Revisions to its Financial Forecast for the Full-year Ending March 31, 2018

Based on recent performance trends, Sumitomo Chemical Co., Ltd. has revised its consolidated financial forecast for the full-year ending March 31, 2018, previously announced on May 16, 2017, as detailed below.

Revisions to Consolidated Financial Forecast for the Full-Year Ending March 31, 2018

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent	Earnings per Share (yen)
Previous Forecast (A)	2,190,000	165,000	185,000	100,000	61.19
Revised Forecast (B)	2,210,000	185,000	215,000	120,000	73.43
Variance in Amount (B-A)	20,000	20,000	30,000	20,000	
Variance in Percentage (%)	0.9	12.1	16.2	20.0	
Results for Full-Year ended March 31, 2017	1,954,283	134,336	166,632	85,482	52.31

(Reasons for the Revision)

In addition to an improvement in profit margins in the businesses of the Petrochemicals & Plastics Sector, shipments of products in the Pharmaceuticals Sector and the Energy & Functional Materials Sector are expected to remain brisk, despite a drop in selling prices of the feed additive methionine in the Health & Crop Sciences Sector. Shipments of products in the IT-related Chemicals Sector are also expected to increase in the second half of the current fiscal year. For these reasons, operating income is expected to exceed the previous forecast. Ordinary income and net income attributable to owners of the parent are also anticipated to exceed the previous estimate due to the increase in operating income as well as higher equity in earnings of affiliates and other factors.

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.