

**Sumitomo Chemical Reports
Consolidated Financial Results
For the Three Months Ended June 30, 2012**

The Sumitomo Chemical Group's consolidated financial results for the first quarter ended June 30, 2012 were as follows. Sales declined by ¥11.9 billion compared with the same period of the previous fiscal year, to ¥490.0 billion. The Group's operating income was ¥13.0 billion and ordinary income was ¥12.5 billion, both representing year-on-year decreases. However, the Group posted a quarterly net income of ¥0.9 billion, improving from the year-earlier period, when the Group posted an extraordinary loss of ¥29.0 billion from a one-time amortization of goodwill related to its investment in an affiliate.

The Sumitomo Chemical Group's financial results by business segment for the first quarter ended June 30, 2012 were as follows.

Basic Chemicals

Market prices fell for methyl methacrylate and raw materials for synthetic fibers and their shipments also decreased. As a result, the segment's sales decreased by ¥8.8 billion compared with the same period of the previous fiscal year, to ¥66.6 billion and operating income declined by ¥9.5 billion to a loss of ¥2.5 billion.

Petrochemicals & Plastics

While market prices of synthetic resins fell, their shipments from overseas subsidiaries increased. As a result, the segment's sales increased by ¥7.5 billion compared with the same period of the previous fiscal year, to ¥177.5 billion, and operating income declined by ¥5.7 billion, to ¥0.1 billion, mainly because of higher feedstock prices and lower selling prices.

IT-related Chemicals

Shipments of color filters and polarizing film used in liquid crystal displays (LCDs) increased, but selling prices declined. As a result, the segment's sales decreased by ¥1.2 billion compared with the same period of the previous fiscal year, to ¥70.3 billion, and operating income declined by ¥2.9 billion, to ¥1.2 billion.

Health & Crop Sciences

In the area of crop protection chemicals, shipments of herbicides remained strong in overseas markets, but domestic shipments decreased. Sales of the long-lasting insecticidal mosquito net, Olyset[®] Net, decreased due to lower demand. Market prices of the feed additive methionine declined. As a result, the segment's sales declined by ¥4.4 billion compared with the same period of the previous fiscal year, to ¥67.2 billion, and operating income decreased by ¥1.6 billion, to ¥6.5 billion.

Pharmaceuticals

Despite Japanese National Health Insurance drug price revisions, sales of Avapro® (therapeutic agent for hypertension), Lonasen® (atypical antipsychotic), Trerief® (therapeutic agent for Parkinson's disease) and Metgluco® (biguanide oral hypoglycemic) increased as a result of continued sales promotion activities. In North America, sales of Latuda® (atypical antipsychotic) increased, but sales of Xopenex® (short-acting beta-agonist) decreased as its patent will expire soon. As a result, the segment's sales declined by ¥5.6 billion compared with the same period of the previous fiscal year, to ¥96.8 billion, and operating income decreased by ¥0.8 billion, to ¥12.6 billion.

Others

In addition to the above five segments, the Sumitomo Chemical Group engages in supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis. The segment's sales rose by ¥0.5 billion compared with the same period of the previous fiscal year, to ¥11.7 billion. Operating income remained unchanged at ¥1.2 billion.

The Company has revised its consolidated financial forecast of fiscal 2012 announced on May 10, 2012. It now projects its consolidated financial forecast to sales of ¥990.0 billion, operating income of ¥27.0 billion, ordinary income of ¥18.0 billion and net income of nil for the half-year ending September 30, 2012, and sales of ¥2,050.0 billion, operating income of ¥80.0 billion, ordinary income of ¥75.0 billion, and net income of ¥30.0 billion for the full-year ending March 31, 2013.

The Company revised its full-year assumptions for the price of naphtha from ¥65,000 per kiloliter to ¥52,000 per kiloliter, and for the yen/dollar exchange rate from ¥82.5 per dollar to ¥80.0 per dollar.

For further details, please refer to today's release titled "Sumitomo Chemical Announces Revisions to its Consolidated Financial Forecast".

Summary of Consolidated Results

(1) Results of Operations:

	3 Months ended June 30, 2012		3 Months ended June 30, 2011
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Net sales	489,959	6,177,771	501,902
Operating income	13,008	164,015	34,756
Ordinary income	12,465	157,168	38,911
Income before income taxes and minority interests	10,630	134,031	9,295
Net income (loss)	904	11,398	(9,752)
	Yen	USD*	Yen
Net income (loss) per 1,000 shares	553	7	(5,966)
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Comprehensive income	28,415	358,278	11,052

(2) Financial Position:

	As of June 30, 2012		As of March 31, 2012
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Total assets	2,406,814	30,346,917	2,336,953
Total net asset	743,400	9,373,345	720,901

(3) Cash Flows:

	3 Months ended June 30, 2012		3 Months ended June 30, 2011
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Cash flows from operating activities	15,063	189,926	23,950
Cash flows from investing activities	(48,153)	(607,149)	(23,372)
Cash flows from financing activities	32,912	414,979	4,269
Cash and cash equivalents at end of period	151,576	1,911,184	157,809

(4) Results of Operations by Business Segment:

	3 Months ended June 30, 2012		3 Months ended June 30, 2011
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Net sales			
Basic Chemicals	66,554	839,163	75,328
Petrochemicals & Plastics	177,472	2,237,700	169,959
IT-related Chemicals	70,270	886,017	71,446
Health & Crop Sciences	67,153	846,715	71,503
Pharmaceuticals	96,837	1,220,994	102,470
Others	11,673	147,182	11,196
	489,959	6,177,771	501,902
Operating income (loss)			
Basic Chemicals	(2,543)	(32,064)	6,987
Petrochemicals & Plastics	108	1,362	5,805
IT-related Chemicals	1,152	14,525	4,059
Health & Crop Sciences	6,499	81,944	8,076
Pharmaceuticals	12,625	159,185	13,464
Others	1,153	14,538	1,229
Adjustments	(5,986)	(75,475)	(4,864)
	13,008	164,015	34,756

(Note)

*:U.S. dollar amounts are translated from yen, for convenience only, at the rate of
¥79.31= \$1 prevailing on June 30, 2012.