

**Sumitomo Chemical Reports
Consolidated Financial Results
For the Half-Year Ended September 30, 2013**

The Sumitomo Chemical Group's sales for the half-year ended September 30, 2013 were ¥1,050.8 billion, an increase of ¥89.4 billion compared with the same period of the previous fiscal year. The Group recorded operating income of ¥46.3 billion, ordinary income of ¥44.3 billion and net income of ¥12.5 billion, all showing year-on-year increases.

Sumitomo Chemical decided to pay an interim dividend of ¥6 per share.

The Sumitomo Chemical Group's financial results by business segment for the half-year were as follows.

Basic Chemicals

Market prices remained low for methyl methacrylate and raw materials for synthetic fibers, and shipments of these products also remained low. Shipments of aluminum decreased. On the other hand, the correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥4.1 billion from the same period of the previous fiscal year, to ¥136.9 billion, and operating income decreased by ¥2.2 billion, to a loss of ¥4.8 billion.

Petrochemicals & Plastics

Market prices for synthetic resins and petrochemical products rose due to higher feedstock prices, but shipments from overseas subsidiaries declined on account of maintenance work at Petro Rabigh. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥25.7 billion from the same period of the previous fiscal year, to ¥368.9 billion, and operating income improved by ¥4.1 billion, to ¥3.9 billion.

IT-related Chemicals

Sales of polarizing film used in liquid crystal displays (LCDs) increased due to growth in demand. Sales rose as a newly-built touchscreen panel facility in South Korea began full-fledged operations in the third quarter of the previous year. As a result, including the positive effect of the correction of the yen's appreciation, the segment's sales increased by ¥37.7 billion compared with the same period of the previous fiscal year, to ¥181.8 billion, and operating income grew by ¥19.3 billion, to ¥21.7 billion.

Health & Crop Sciences

In the area of crop protection chemicals, shipments of herbicides and other products rose in overseas markets due to increased production capacity and expanded sales. Market prices of the feed additive methionine declined. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥19.7 billion compared with the same period of the previous fiscal year, to ¥139.5 billion, and operating income grew by ¥ 3.8 billion, to ¥11.6 billion.

Pharmaceuticals

In Japan, in addition to sales of Aimix® (anti-hypertension drug) that was launched in December last year, sales of Metgluco® (biguanide oral hypoglycemic) and Lonasen® (atypical antipsychotic) increased, but overall sales decreased as a result of a significant decline in shipments of other existing products. In North America, shipments of Xopenex® (short-acting beta-agonist) fell sharply as marketing exclusivity ended, but shipments of Latuda® (atypical antipsychotic) continued to rise. The correction of the yen's appreciation had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales increased by ¥3.0 billion compared with the same period of the previous fiscal year, to ¥197.2 billion, and operating income decreased by ¥2.5 billion, to ¥20.6 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 declined by ¥0.8 billion compared with the same period of the previous fiscal year, to ¥26.4 billion, and operating income decreased by ¥0.8 billion, to ¥3.4 billion.

The Company has revised its consolidated financial forecast for fiscal 2013, announced on May 15, 2013, as follows.

Revisions to Consolidated Financial Forecast for the Full-Year Ending March 31, 2014
(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings Per Share (yen)
Previous Forecast (A)	2,350,000	90,000	90,000	30,000	18.35
Revised Forecast (B)	2,230,000	105,000	100,000	30,000	18.35
Variance in Amount (B-A)	-120,000	15,000	10,000	-	
Variance in Percentage (%)	-5.1	16.7	11.1	-	
Results for Full-Year ended March 31, 2013	1,952,492	45,016	50,252	-51,076	-31.25

Sales are expected to be lower than previously projected chiefly due to lower shipments of products in the Petrochemicals & Plastics and Basic Chemicals segments. Operating income and ordinary income, however, are expected to exceed the previous forecast mainly because of an increase in shipments of products in the Pharmaceuticals, IT-related Chemicals and Health & Crop Sciences segments. The new forecast is based on the assumptions of a foreign exchange rate of ¥95/US\$ and a naphtha price of ¥65,000/kl for the second half of the current fiscal year.

Cautionary Statement

Statements made in this release 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.

Summary of Consolidated Results

(1) Results of Operations:

	6 Months ended September 30, 2013		6 Months ended September 30, 2012
	(Millions)	USD (Thousands)*	Yen (Millions)
Net sales	1,050,806	10,749,934	961,383
Operating income	46,332	473,985	24,481
Ordinary income	44,250	452,685	18,948
Income before income taxes and minority interests	38,256	391,366	13,634
Net income (loss)	12,452	127,386	(13,114)
	Yen	USD*	Yen
Net income (loss) per 1,000 shares	7,618	78	(8,023)
Dividends per 1,000 shares:			
Interim dividends	6,000	61	6,000
	Yen	USD (Thousands)*	Yen (Millions)
Comprehensive income	75,665	774,066	(11,511)

(2) Financial Position:

	As of September 30, 2013		As of March 31, 2013
	(Millions)	USD (Thousands)*	Yen (Millions)
Total assets	2,637,843	26,985,606	2,472,091
Total net asset	851,554	8,711,550	747,482

(3) Cash Flows:

	6 Months ended September 30, 2013		6 Months ended September 30, 2012
	(Millions)	USD (Thousands)*	Yen (Millions)
Cash flows from operating activities	100,840	1,031,611	61,837
Cash flows from investing activities	(79,988)	(818,292)	(104,821)
Cash flows from financing activities	(4,622)	(47,284)	26,143
Cash and cash equivalents at end of period	143,158	1,464,532	131,797

(4) Results of Operations by Business Segment:

	6 Months ended September 30, 2013		6 Months ended September 30, 2012
	(Millions)	USD (Thousands)*	Yen (Millions)
Net sales			
Basic Chemicals	136,932	1,400,839	132,855
Petrochemicals & Plastics	368,914	3,774,056	343,186
IT-related Chemicals	181,792	1,859,765	144,043
Health & Crop Sciences	139,502	1,427,130	119,786
Pharmaceuticals	197,231	2,017,708	194,272
Others	26,435	270,436	27,241
	1,050,806	10,749,934	961,383
Operating income (loss)			
Basic Chemicals	(4,796)	(49,064)	(2,586)
Petrochemicals & Plastics	3,855	39,437	(218)
IT-related Chemicals	21,705	222,046	2,402
Health & Crop Sciences	11,574	118,404	7,728
Pharmaceuticals	20,630	211,049	23,129
Others	3,416	34,946	4,195
Adjustments	(10,052)	(102,833)	(10,169)
	46,332	473,985	24,481

(Note)

*:U.S. dollar amounts are translated from yen, for convenience only, at the rate of
¥97.75= \$1 prevailing on September 30, 2013.