

**Sumitomo Chemical Announces Revisions to its Financial Estimates  
For Full Fiscal Year ending March 31, 2008**

Sumitomo Chemical Company, Limited would like to report that it has revised its financial estimates for the full fiscal year 2007 (ending March 31, 2008) from the estimates announced on December 25th in consideration of the Company's recent business performance, as outlined below.

1 . Revised Consolidated Financial Estimates For Fiscal 2007

(Millions of yen)

	Net Sales	Operating Income	Recurring Income	Net Income
Previous Estimates (A)	1,940,000	120,000	125,000	85,000
Revised Estimates (B)	1,910,000	100,000	95,000	65,000
Increase/(Decrease) (B) – (A)	30,000	20,000	30,000	20,000
Rate of Increase/(Decrease) %	1.5%	16.7%	24.0%	23.5%
Results for 2006 Fiscal Year (Ended March, 31, 2007)	1,790,026	139,623	157,981	93,860

2 . Revised Non-Consolidated Financial Estimates For Fiscal 2007

(Millions of yen)

	Net Sales	Operating Income	Recurring Income	Net Income
Previous Estimates (A)	940,000	32,000	50,000	36,000
Revised Estimates (B)	930,000	15,000	32,000	25,000
Increase/(Decrease) (B) – (A)	10,000	17,000	18,000	11,000
Rate of Increase/(Decrease) %	1.1%	53.1%	36.0%	30.6%
Results for 2006 Fiscal Year (Ended March, 31, 2007)	885,557	45,928	70,595	83,711

### 3. **Reason for the revision**

The reasons for the revision in the estimate for non-consolidated operating income are the higher than forecast costs of naphtha and other feedstocks that continued to rise as well as the steeply rising value of the Japanese Yen, which have had a negative impact mainly on our Petrochemicals & Plastics and Basic Chemicals segments. In addition to this, losses on foreign currency exchange and other factors have led to decreases in ordinary income and net income compared with the Company's previous estimate, with sales down 1.1%, operating income down 53.1%, recurring income down 36.0%, and net income down 30.6%.

The reasons for the revision in consolidated income, in addition to the revision in non-consolidated earnings, are decreases in equity in earnings of affiliates from higher raw materials costs, etc., and losses on foreign currency exchange at our subsidiaries from rapid fluctuations in exchange rates. Compared with the Company's previous estimate, sales are estimated to be down 1.5%, operating income down 16.7%, recurring income down 24.0%, and operating income down 23.5%.

#### (Cautionary Statement)

Statements made in this release with respect to the Company's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements regarding the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of information currently available, 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.