

September 30, 2008

Sumitomo Chemical Announces Revisions to its Financial Forecast for Fiscal 2008

Based on its recent performance trends, Sumitomo Chemical Co., Ltd. (the Company) has revised the forecast announced on May 9, 2008 as detailed below.

1. Revised Consolidated Financial Forecast for First Half Fiscal 2008 (April 1, 2008-September 30, 2008)

(Millions of yen)

| | Sales | Operating Income | Ordinary Income | Net Income |
|--|-----------|------------------|-----------------|------------|
| Previous Estimates (A) | 1,000,000 | 33,000 | 26,000 | 10,000 |
| Revised Estimates (B) | 1,033,000 | 27,000 | 21,000 | 5,000 |
| Variance in amount (B-A) | +33,000 | -6,000 | -5,000 | -5,000 |
| Variance in percentage | +3.3% | -18.2% | -19.2% | -50.0% |
| Results for the first half of fiscal 2007 (Ended September 30, 2007) | 931,896 | 48,364 | 57,664 | 26,396 |

2. Revised Estimates for Full-Year Consolidated Financial Results (April 1, 2008-March 31, 2009)

(Millions of yen)

| | Sales | Operating Income | Ordinary Income | Net Income |
|---|-----------|------------------|-----------------|------------|
| Previous Estimates (A) | 2,080,000 | 95,000 | 100,000 | 55,000 |
| Revised Estimates (B) | 2,110,000 | 70,000 | 60,000 | 15,000 |
| Variance in amount (B-A) | +30,000 | -25,000 | -40,000 | -40,000 |
| Variance in percentage | +1.4% | -26.3% | -40.0% | -72.7% |
| Results of Fiscal 2007 (Ended March 31, 2008) | 1,896,539 | 102,397 | 92,790 | 63,083 |

3 . Reasons for the Revision

(First Half)

The Company has taken higher feedstock costs and other factors into consideration in revising its first half forecast. The price of domestic naphtha, which at the time of the previously announced forecast was estimated at ¥67,000/KL, has been revised to ¥79,000/KL. The dollar exchange rate, previously estimated at ¥100/USD, has been revised to ¥105/USD. As a result of these revisions, the Company forecasts weaker performance mainly in its Petrochemicals & Plastics and Basic Chemicals segments and has revised its financial forecasts downward. Compared with the previously announced forecast, the Company expects operating income, ordinary income and net income to decrease by 18.2%, 19.2%, and 50.0% respectively.

(Full Year)

With regard to the full-year forecast, the domestic naphtha price was previously estimated at ¥67,000/KL, and has been revised to ¥75,000/KL (¥70,000/KL for the second half). In addition, the dollar exchange rate was previously estimated at ¥100/USD and has been revised to ¥105/USD (¥105/USD for the second half). As a result of these revisions, the Company forecasts weaker performance mainly in its Petrochemicals & Plastics and Basic Chemicals segments and has revised its financial forecasts downward. Compared with the previously announced forecast, operating income is expected to decrease by 26.3%.

The revised plan of the Rabigh Project in Saudi Arabia to start operation of some of the facilities in the first quarter of 2009 and other factors are forecast to have an impact on equity earnings. As a result, the Company expects ordinary income and net income to decrease by 40.0% and 72.7% respectively.

(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. 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 fluctuations of currency exchange rates.

(Appendix)

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Sumitomo Chemical Co., Ltd.

Sales and Operating Income by Segment

(Unit: Billions of yen)

| | | FY2008 Previous Estimate (A) | FY2008 Revised Estimate (B) | Variance in amount (B-A) |
|---------------------------|------------------|------------------------------|-----------------------------|--------------------------|
| Basic Chemicals | Sales | 325.0 | 320.0 | -5.0 |
| | Operating Income | 10.0 | -2.0 | -12.0 |
| Petrochemicals & Plastics | Sales | 720.0 | 720.0 | 0.0 |
| | Operating Income | 11.0 | -2.0 | -13.0 |
| Fine Chemicals | Sales | 100.0 | 100.0 | 0.0 |
| | Operating Income | 9.0 | 7.5 | -1.5 |
| IT-related Chemicals | Sales | 340.0 | 345.0 | 5.0 |
| | Operating Income | 22.5 | 19.5 | -3.0 |
| Agricultural Chemicals | Sales | 205.0 | 230.0 | 25.0 |
| | Operating Income | 16.5 | 25.0 | 8.5 |
| Pharmaceuticals | Sales | 240.0 | 240.0 | 0.0 |
| | Operating Income | 31.0 | 31.0 | 0.0 |
| Others | Sales | 150.0 | 155.0 | 5.0 |
| | Operating Income | -5.0 | -9.0 | -4.0 |
| Elimination | Sales | - | - | - |
| | Operating Income | - | - | - |
| Total | Sales | 2,080.0 | 2,110.0 | 30.0 |
| | Operating Income | 95.0 | 70.0 | -25.0 |