

**Sumitomo Chemical Announces
Variances between its Financial Forecast and the Actual Results
for the Half-Year Ended September 30, 2009 and
Revisions to its Financial Forecast and Projected Dividend
for Year Ending March 31, 2010**

Sumitomo Chemical Co., Ltd. (“the Company”) has announced the variances between its consolidated financial forecast for the half-year ended September 30, 2009 announced May 11, 2009 and the actual results for the same period announced today and has revised its consolidated financial forecast and projected dividend for the full-year ending March 31, 2010 announced May 11, 2009, as detailed below.

1. Variances between Consolidated Financial Forecast and Actual Results for the Half-Year Ended September 30, 2009

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Forecast (A)	730,000	- 5,000	- 15,000	- 20,000	- 12.11
Actual Results (B)	735,205	11,172	7,788	- 3,485	- 2.11
Variance in Amount (B - A)	5,205	16,172	22,788	16,515	-
Variance in Percentage (%)	0.7	-	-	-	-
Results for Half-Year Ended September 30, 2008	1,009,207	31,009	22,973	6,288	3.81

2. Revision to Consolidated Financial Forecast for the Full-Year Ending March 31, 2010

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings Per Share
Previous Forecast (A)	1,620,000	35,000	30,000	10,000	6.06
Revised Forecast (B)	1,620,000	35,000	20,000	10,000	6.06
Variance in Amount (B - A)	-	-	- 10,000	-	-
Variance in Percentage (%)	-	-	- 33.3	-	-
Results for Full-Year Ended March 31, 2009	1,788,223	2,114	- 32,624	- 59,164	- 35.84

3. Reasons for the Variances and the Revision

(Half-Year Ended September 30, 2009)

The actual results of the Company's consolidated financial performance for the half-year ended September 30, 2009 has exceeded its forecast primarily because of strong shipments of crop protection chemicals and a decrease in sales, general and administrative expenses including research and development expenses.

(Full-Year Ending March 31, 2010)

Although the operating income for the half-year ended September 30, 2009 has exceeded the forecast, the operating income for the full-year ending March 31, 2010 is forecast to be in line with the previous forecast because the business environment is expected to remain difficult with higher feedstock prices and a stronger yen compared with the assumptions for the previous forecast and because the sales, general and administrative expenses were lower for the half-year ended September 30, 2009 compared with the previous forecast but the expenses are projected to be higher from the third quarter ending December 31, 2009 onward. Ordinary income for the same full-year is forecast to decrease by ¥10.0 billion from the previous forecast primarily because of anticipated lower a fluctuation in the performance of the Company's equity method foreign affiliate in the quarter ended September 30, 2009. Meanwhile, net income is forecast at ¥10.0 billion, the same as the previous forecast, accounting of gains on sales of stocks and other assets.

The Company's forecast does not reflect the financial results of Sepracor Inc., recently acquired by our consolidated subsidiary Dainippon Sumitomo Pharma. Goodwill and in-process R&D, etc. arising from the acquisition are under measurement at present. When the effects of these items on the Company's financial results have been determined, any items requiring disclosure will be announced promptly.

4. Revision to Projected Dividend for the Year Ending March 31, 2010

(1) Details of Revision

Reference Date	Dividend Per Share		
	End of Half-Year	End of Full-Year	Full Year
	yen	yen	yen
Previous Projection	Undetermined	Undetermined	Undetermined
Revised Projection	0.00	6.00	6.00
Year ended March 31, 2009	6.00	3.00	9.00

(2) Reasons for the Revision

The Company defines shareholder return as its corporate priority and makes it a policy to maintain a stable dividend while comprehensively taking into consideration financial results for each fiscal year, dividend payout ratio and the amount of retained earnings necessary for further business development.

Nevertheless, due to financial results for the half-year ended September 30, 2009 considerably lower than its forecast, the Company regrets that it will not pay a half-year dividend. Continuing its effort to achieve the forecast levels of financial performance, the Company plans to pay a full-year dividend of ¥6 per share for the year ending March 31, 2010.

Therefore, the Company has revised its projected full-year dividend to ¥6 per share.

(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.