

Sumitomo Chemical Announces Variances between its Financial Forecast and Actual Results for the Half-Year Ended September 30, 2011 and Revisions to its Financial Forecast for the Year Ending March 31, 2012

Sumitomo Chemical Co., Ltd. ("the Company") has announced variances between its consolidated financial forecast for the half-year ended September 30, 2011, previously announced on July 29, 2011, and the actual results for the same period announced today. The company also announced that it has revised its consolidated financial forecast for the full-year ending March 31, 2012, as detailed below.

1. Variances between Consolidated Financial Forecast and Actual Results for the Half-Year Ended September 30, 2011

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
Forecast (A)	1,000,000	50,000	51,000	0	0.00
Actual Results (B)	998,281	54,035	48,993	-2,713	-1.66
Variance in Amount (B-A)	-1,719	4,035	-2,007	-2,713	
Variance in Percentage (%)	-0.2	8.1	-3.9	-	
Results for Half-Year Ended September 30, 2010	989,245	53,043	52,107	2,515	1.52

2. Revisions to Consolidated Financial Forecast for the Full-Year Ending March 31, 2012

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
Previous Forecast (A)	2,120,000	80,000	87,000	21,000	12.85
Revised Forecast (B)	2,020,000	75,000	72,000	10,000	6.12
Variance in Amount (B-A)	-100,000	-5,000	-15,000	-11,000	
Variance in Percentage (%)	-4.7	-6.3	-17.2	-52.4	
Results for Full-Year Ended March 31, 2011	1,982,435	87,957	84,091	24,434	14.86

3. Reasons for the Variances and the Revisions

(1) Half-Year Ending September 30, 2011

Operating income exceeded the previous forecast mainly because of lower sales promotion costs and research and development costs in the Pharmaceuticals Segment. Ordinary income and net income were lower than the previous forecast mainly because of lower equity in earnings of affiliates caused by the dissolution of an affiliate.

(2) Full-Year Ending March 31, 2012

The company revised its full-year assumption for the price of naphtha from ¥61,000 per kiloliter to ¥55,500 per kiloliter (¥54,000 per kiloliter for the 2nd half) and for the yen/dollar exchange rate from ¥82.5 per dollar to ¥79.0 per dollar (¥77.5 per dollar for the 2nd half).

Sales and operating income are expected to be lower than the previous forecast, mainly because of the change in earnings assumptions and weaker demand for IT-related products.

Ordinary income and net income are also expected to be lower than the previous forecast, mainly because of lower equity in earnings of affiliates.

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.