

**Sumitomo Chemical Announces Variances between its Financial Forecast and Actual Results for the Full-year Ended March 31, 2012 and Reversal of Valuation Allowance for Deferred Tax Assets**

Sumitomo Chemical Co., Ltd. (“the Company”) has announced variances between its consolidated financial forecast for the full-year ended March 31, 2012, previously announced on February 3, 2012, and the actual results for the same period announced today. The Company has also recorded a reversal of its valuation allowance for deferred tax assets for the same fiscal year.

1. Variances between Consolidated Financial Forecast and Actual Results for the Full-Year Ended March 31, 2012

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share (yen)
Forecast (A)	1,990,000	65,000	54,000	0	0.00
Actual Results (B)	1,947,884	60,688	50,714	5,587	3.42
Amount of Variance (B-A)	-42,116	-4,312	-3,286	5,587	
Percentage Variance (%)	-2.1	-6.6	-6.1	-	
Results for Full-Year Ended March 31, 2011	1,982,435	87,957	84,091	24,434	14.86

(Reasons for the Variances)

Operating income and ordinary income were lower than the previous forecast, mainly because of decreases in shipments in the Health and Crop Sciences segment and the Basic Chemicals segment. Net income exceeded the previous forecast mainly because of a reversal of the valuation allowance for deferred tax assets.

2. Reversal of Valuation Allowance for Deferred Tax Assets

The Company evaluated the realizability of tax benefit of its deferred tax assets, considering such factors as the application of accounting procedures premised on the consolidated tax filing system. After the evaluation, the Company recorded a reversal of 11.5 billion yen in its valuation allowance for deferred tax assets that were deemed recoverable. Consequently, the Company recorded an equivalent amount in income tax adjustments (reducing tax expenses and increasing income) for the year ended March 31, 2012.