

Sumitomo Chemical Announces Revisions to its Consolidated Financial Forecast

Based on recent performance trends, Sumitomo Chemical Co., Ltd. (“the Company”) has revised its consolidated financial forecast announced on May 10, 2012.

Revision to Financial Forecast

1. Revised Consolidated Financial Forecast for the Half-Year Ending September 30, 2012

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net income	Earnings Per Share(yen)
Previous Forecast (A)	1,050,000	30,000	26,000	10,000	6.12
Revised Forecast (B)	990,000	27,000	18,000	0	0.00
Variance in Amount (B-A)	-60,000	-3,000	-8,000	-10,000	
Variance in Percentage (%)	-5.7	-10.0	-30.8	-100.0	
Results for Half-Year ended September 30, 2011	998,281	54,035	48,993	-2,713	-1.66

2. Revised Consolidated Financial Forecast for the Full-Year Ending March 31, 2013

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net income	Earnings Per Share(yen)
Previous Forecast (A)	2,230,000	90,000	95,000	40,000	24.47
Revised Forecast (B)	2,050,000	80,000	75,000	30,000	18.35
Variance in Amount (B-A)	-180,000	-10,000	-20,000	-10,000	
Variance in Percentage (%)	-8.1	-11.1	-21.1	-25.0	
Results for Full-Year ended March 31, 2012	1,947,884	60,688	50,714	5,587	3.42

3. Reasons for the Revision

(1) Half-Year Ending September 30, 2012

The Company expects its half-year sales to be lower than previously forecasted on account of lower sales prices due to a lower-than-expected rise in the prices of naphtha and other feedstocks. In spite of higher sales and lower expenses in the Pharmaceuticals segment, half-year operating income is expected to be lower than previously forecasted because of a decline in margins in the Basic Chemicals segment, and due to lower shipments in the Health & Crop Sciences segment, in addition to the impact of the continued yen appreciation. Furthermore, ordinary income is expected to fall short of the previous forecast because of an increase in losses on foreign currency transactions.

(2) Full-Year Ending March 31, 2013

The Company revised its full-year assumptions for the price of naphtha from ¥65,000 per kiloliter to ¥52,000 per kiloliter, and for the yen/dollar exchange rate from ¥82.5 per dollar to ¥80.0 per dollar.

Sales and operating income are expected to be lower than previously forecasted, mainly because of a decline in margins, primarily in the Petrochemicals & Plastics segment, in addition to lower-than-expected demand growth for Petrochemicals & Plastics products and IT-related products and the change in the assumptions above. Ordinary income and net income are also expected to be lower than previously forecasted, 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.