

Sumitomo Chemical Announces Variances between its Financial Forecast and Actual Results for the Half-year Ended September 30, 2012 and Revisions to its Financial Forecast and Projected Dividend for Fiscal 2012

Sumitomo Chemical Co., Ltd. (“the Company”) has announced variances between its consolidated financial forecast for the half-year ended September 30, 2012, previously announced on July 31, 2012, 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, 2013 and projected dividend as detailed below.

1. Variances between Consolidated Financial Forecast and Actual Results for the Half-Year Ended September 30, 2012

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share (yen)
Forecast (A)	990,000	27,000	18,000	0	0.00
Actual Results (B)	961,383	24,481	18,948	-13,114	-8.02
Variance in Amount (B-A)	-28,617	-2,519	948	-13,114	
Variance in Percentage (%)	-2.9	-9.3	5.3	-	
Results for Half-Year ended September 30, 2011	998,281	54,035	48,993	-2,713	-1.66

2. Revisions to 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)	2,050,000	80,000	75,000	30,000	18.35
Revised Forecast (B)	2,020,000	65,000	62,000	10,000	6.12
Variance in Amount (B-A)	-30,000	-15,000	-13,000	-20,000	
Variance in Percentage (%)	-1.5	-18.8	-17.3	-66.7	
Results for Full-Year ended March 31, 2012	1,947,884	60,688	50,714	5,587	3.42

3. Reasons for the Variances and Revisions

(Half-Year Ending September 30, 2012)

Sales and operating income were lower than the previous forecast due to lower shipments of products in the Basic Chemicals and IT-related Chemicals segments as a result of a slowdown in the world economy. Net income was also lower than the previous forecast due to a reversal of a portion of deferred tax assets in light of actual results for the first half of the current fiscal year and the revised financial forecast for the full year.

(Full-Year Ending March 31, 2013)

In the second half of the fiscal year, with an expectation of continued economic stagnation in Europe and a continuation of the economic slowdown in emerging market countries, because both the improvement in margins in the Basic Chemicals segment and the recovery in demand for products in the Petrochemicals & Plastics and IT-related Chemicals segments are anticipated to be below previous expectations, sales and operating income are expected to be lower than previously forecast.

4. Revision to Projected Dividend for Fiscal 2012

	Dividend per Share		
	Dividend at End of First Half of Fiscal 2012	Dividend at End of Fiscal 2012	Total
	Yen	Yen	Yen
Previous Estimates	—	3.00	9.00
Revised Estimates	—	not decided	not decided
Dividend Paid	6.00	—	—
Dividend for Fiscal 2011	6.00	3.00	9.00

(Reasons for the Revision)

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

Amid growing uncertainty over the world economy, the Company previously projected a year-end dividend of ¥3 per share, but no projection was made this time because of the revisions to the earnings forecast for fiscal 2012. The Company will announce its year-end dividend projection after full consideration of its financial forecast for the second half of the current fiscal year and the next fiscal year that will end March 31, 2014.

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.