

January 22, 2014

Announcement by Petro Rabigh

Rabigh Refining and Petrochemical Company (Petro Rabigh), an equity method affiliate of Sumitomo Chemical, has recently announced its interim financial results for the period ended December 31, 2013, posting the full-year net profit of Saudi Riyals 359.2 million (approximately 10.1 billion yen), a decrease from the previous fiscal year's net profit of Saudi Riyals 488.9 million.

According to the announcement, the decrease in profit is attributable to the deteriorated refining margin and low operation levels due to blackouts caused by the utilities supplier Rabigh Arabian Water & Electricity Company (RAWEC). It is at the same time pointed out that the profit decline has been minimized as a result of the benefit accruing from the new commercial arrangements with Founding Shareholders totaling Saudi Riyals 1.2 billion and the recognition of RAWEC's settlement payment of Saudi Riyals 750 million.

For Sumitomo Chemical that owns a 37.5% stake in Petro Rabigh, the above benefit of the new commercial arrangements and the recognition of the settlement payment combined increase the Company's equity in earnings of affiliates by approximately 20.5 billion yen. These contributory factors had partially been incorporated in Sumitomo Chemical's revised financial forecast for the year ending March 31, 2014 that was announced on November 1, 2013. With respect to the full-year consolidated financial forecast for fiscal 2013, Sumitomo Chemical is currently examining it closely based on the recent developments of its business performance. If a revision becomes necessary, the Company will make an announcement accordingly without delay.

* The figures in Japanese yen are based on the exchange rate of approximately 28 yen to one Saudi Riyal prevailing on January 22, 2014.