

Sumitomo Chemical Announces Revisions to its Financial Forecast for the Full-year Ended March 31, 2017

Based on recent performance trends, Sumitomo Chemical Co., Ltd. has revised its consolidated financial forecast for the full-year ended March 31, 2017, previously announced on October 28, 2016, as detailed below.

Revisions to Consolidated Financial Forecast for the Full-Year Ended March 31, 2017

(Millions of yen)

	Sales	Operating Income	Ordinary Income	Net income attributable to owners of the parent	Earnings per Share (yen)
Previous Forecast (A)	1,960,000	120,000	130,000	60,000	36.71
Revised Forecast (B)	1,950,000	134,000	167,000	86,000	52.62
Variance in Amount (B-A)	-10,000	14,000	37,000	26,000	
Variance in Percentage (%)	-0.5	11.7	28.5	43.3	
Results for Full-Year ended March 31, 2016	2,101,764	164,446	171,217	81,451	49.84

(Reasons for the Revision)

Despite a drop in selling prices of the feed additive methionine in the Health & Crop Sciences Sector, operating income is expected to exceed the previous forecast due to better-than-expected results in the Petrochemicals & Plastics Sector and the Pharmaceuticals Sector, as well as good performance in the Energy & Functional Materials Sector and the IT-related Chemicals Sector. Another factor is the positive effect of a larger-than-expected decline in the yen's value.

Ordinary income and net income attributable to owners of the parent are also expected to exceed the previous estimate due to the increase in operating income, as well as higher equity in earnings of affiliates and improvement in foreign exchange gains and losses.

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.