

Financial Results of FY2005 Third Quarter



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Sumitomo Chemical Co., Ltd.



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Consolidated Financial Results of FY2005 Third Quarter

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Financial Summary

Unit; billions of yen

	FY2005 3rd Quarter (year to date)	FY2004 3rd Quarter (year to date)	Difference	Growth
Net Sales	1,097.8	948.0	149.8	15.8%
Operating Income	88.4	77.0	11.4	14.8%
Ordinary Income	109.2	92.3	16.9	18.3%
(Equity in earnings of affiliates, included in ordinary income)	(20.4)	(18.5)	(1.9)	(10.2%)
Net Income	71.3	44.2	27.2	61.5%
Naphtha Price (yen/KL)	41,100	31,800		
Exchange Rate (yen/US\$)	112.11	108.52		



Net Sales by Segment

Unit; billions of yen

	FY2005 3rd Quarter (year to date)	FY2004 3rd Quarter (year to date)	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	178.1	168.5	9.6	5.7%	15.5	-5.9
Petrochemicals	351.5	306.1	45.4	14.8%	44.5	0.9
Fine Chemicals	57.3	63.3	-6.0	-9.5%	2.0	-8.0
IT-related Chemicals	159.2	128.8	30.4	23.6%	-25.5	55.9
Agricultural Chemicals	128.3	119.2	9.1	7.6%	-0.5	9.6
Pharmaceuticals	166.6	126.6	39.9	31.5%		39.9
Others	56.9	35.5	21.5	60.8%		21.5
Total	1,097.8	948.0	149.8	15.8%	36.0	113.8



Operating Income by Segment

Unit; billions of yen

	Basic Chemicals	Petrochemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Total
Operating Income								
FY2005 3rd Quarter (ytd)	7.3	12.8	7.3	14.8	9.4	34.4	2.4	88.4
FY2004 3rd Quarter (ytd)	3.0	8.5	9.5	16.7	7.8	27.9	3.6	77.0
Difference	4.3	4.3	-2.2	-1.9	1.6	6.5	-1.2	11.4

Price Variance	6.5	1.5	0.5	-25.5	-1.0	0.0	0.0	-18.0
Sales Price Variance	15.5	44.5	2.0	-25.5	-0.5	0.0	0.0	36.0
Purchase Price Variance	-9.0	-43.0	-1.5	0.0	-0.5	0.0	0.0	-54.0
Cost Variance	-1.0	1.5	2.0	3.0	-3.0	-15.0	0.0	-12.5
VC	0.0	1.5	1.0	11.5	0.0	0.0	0.0	14.0
FC	-1.0	0.0	1.0	-8.5	-3.0	-15.0	0.0	-26.5
Shipping Volume Variance	-1.2	1.3	-4.7	20.6	5.6	21.5	-1.2	41.9
Total	4.3	4.3	-2.2	-1.9	1.6	6.5	-1.2	11.4



Special Gains / Losses

Unit ; billions of yen

	FY2005 3rd Quarter (year to date)	FY2004 3rd Quarter (year to date)	Difference
Gain on change in interests in consolidated subsidiary	14.3	-	14.3
Gain on sale of investment securities	6.0	1.3	4.8
Gain on business transfer	4.5	-	4.5
Gain on sale of property, plant and equipment	2.0	-	2.0
Reversal of allowance for doubtful receivables	-	2.2	-2.2
Special Gains	26.8	3.5	23.3
Expenses for subsidiary merger	5.0	-	5.0
Restructuring charges	3.9	1.9	2.0
Impairment loss on fixed assets	-	2.1	-2.1
Special Losses	8.8	4.0	4.8
Special Gains / Losses	18.0	-0.5	18.5



Consolidated Balance Sheets

Unit ; billions of yen

	31-Dec-05	31-Mar-05		31-Dec-05	31-Mar-05
Current Assets	912.1	694.6	Liabilities	1,196.2	971.9
Cash and cash equivalents	113.1	55.2	Trade notes and accounts	246.2	202.3
Trade notes and accounts	369.6	306.1	Short-term debt	198.4	120.2
Inventories	292.5	234.6	Long-term debt due within one year	25.8	43.5
Others	136.9	98.7	Long-term debt due after one year	390.2	307.0
Non-current Assets	1,181.1	954.2	Others	335.6	298.9
Property, plant and equipment	568.6	515.9	Minority interests in consolidated subsidiaries	221.6	107.3
Intangible assets	45.3	41.1	Shareholders' equity	675.4	569.6
Investment securities	470.6	349.0	Common stock	89.7	89.7
Others	96.7	48.2	Capital surplus	23.7	23.7
			Retained earnings	426.7	374.2
			Land revaluation reserve	3.8	3.8
			Unrealized gains on investment securities	137.7	96.1
			Foreign currency translation adjustments	-4.9	-16.7
			Treasury stock, at cost	-1.4	-1.2
Total	2,093.2	1,648.8	Total	2,093.2	1,648.8

Interest-bearing debt balance	614.3	470.7
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Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY05.3Q (year to date)	FY04.3Q (year to date)	
The Polyolefin Company (Singapore)	79.9	62.9	Improved due to higher market price
Petrochemical Corporation of Singapore	170.0	142.8	Par with the same period last year because of steep rises in feedstock prices
Dongwoo Fine-Chem	88.6	62.2	increased because of increase in shipments led by expanded production capacity and cost reduction
Dongwoo STI	40.1	28.1	
Dongwoo Optical Materials	20.4	14.8	
Valent U.S.A. and Subsidiaries	33.6	30.0	Improved owing to increased shipments