



Financial Results of FY2007 Third Quarter



Sumitomo Chemical Co., Ltd.



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Statements made in this material 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.



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Financial Summary

Unit; billions of yen

	FY2007 3rd Quarter (year to date)	FY2006 3rd Quarter (year to date)	Difference	Growth
Net Sales	1,391.0	1,296.2	94.8	7.3%
Operating Income	75.9	105.4	△29.5	△27.9%
(Equity in earnings of affiliates, included in ordinary income)	(12.4)	(15.2)	(△2.8)	(△18.2%)
Ordinary Income	85.5	120.9	△35.4	△29.3%
Net Income	40.5	72.9	△32.4	△44.5%
ROE	5.2%	9.8%		
Naphtha Price (yen/KL)	59,800	50,300		
Exchange Rate (yen/US\$)	117.35	116.19		



Net Sales by Segment

Unit; billions of yen

	FY2007 3rd Quarter (year to date)	FY2006 3rd Quarter (year to date)	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	234.0	228.2	5.8	2.6%	18.5	△12.7
Petrochemicals	440.9	397.8	43.1	10.8%	42.5	0.6
Fine Chemicals	69.6	69.0	0.6	0.9%	-	0.6
IT-related Chemicals	214.0	198.2	15.8	8.0%	△29.5	45.3
Agricultural Chemicals	142.6	138.2	4.3	3.1%	-	4.3
Pharmaceuticals	179.2	175.5	3.8	2.2%	-	3.8
Others	110.6	89.3	21.3	23.8%	-	21.3
Total	1,391.0	1,296.2	94.8	7.3%	31.5	63.3



Operating Income by Segment

Unit: billions of yen

	Basic Chemicals	Petro-chemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Total
Operating Income								
FY2007 3rd Quarter (year to date)	9.6	4.3	9.1	0.2	11.4	38.6	2.7	75.9
FY2006 3rd Quarter (year to date)	9.5	17.5	10.0	8.6	13.2	42.7	4.0	105.4
Difference	0.1	△13.2	△0.9	△8.4	△1.7	△4.1	△1.3	△29.5
Price Variance	1.0	△9.0	△1.0	△29.5	△0.5	-	-	△39.0
Sales Price Variance	18.5	42.5	-	△29.5	-	-	-	31.5
Purchase Price Variance	△17.5	△51.5	△1.0	-	△0.5	-	-	△70.5
Cost Variance	△2.0	△1.5	△0.5	7.5	△2.0	△6.5	△2.5	△7.5
VC	0.5	1.5	0.5	19.0	0.5	-	-	22.0
FC	△2.5	△3.0	△1.0	△11.5	△2.5	△6.5	△2.5	△29.5
Shipping Volume Variance	1.1	△2.7	0.6	13.6	0.8	2.4	1.2	17.0
Total	0.1	△13.2	△0.9	△8.4	△1.7	△4.1	△1.3	△29.5



Special Gains / Losses

Unit; billions of yen

	FY2007 3rd Quarter (year to date)	FY2006 3rd Quarter (year to date)	Difference
Gain on sale of property, plant and equipment	4.7	-	4.7
Gain on sale of investment securities	1.2	24.7	△23.5
Special Gains	5.9	24.7	△18.9
Restructuring charges	1.6	4.4	△2.9
Loss on reform of retirement benefits plan	-	0.6	△0.6
Special Losses	1.6	5.1	△3.5
Special Gains / Losses	4.3	19.7	△15.4



Consolidated Balance Sheets

Unit; billions of yen

	31-Dec-07	31-Mar-07		31-Dec-07	31-Mar-07
Current Assets	994.6	995.9	Liabilities	1,346.4	1,294.4
Cash and cash equivalents	99.2	126.0	Trade notes and accounts	281.7	261.9
Trade notes and accounts	403.3	407.6	Short-term debt	232.1	190.4
Inventories	356.6	327.7	Long-term debt due within one year	75.2	43.2
Others	135.4	134.6	Long-term debt due after one year	401.5	407.4
Non-current Assets	1,368.1	1,329.0	Others	356.0	391.5
Property, plant and equipment	631.3	623.5	Net Assets	1,016.2	1,030.5
Intangible assets	80.7	42.8	Shareholders' equity	650.4	632.6
Investment securities	546.8	486.1	Valuation and translation adjustments	127.6	159.9
Others	109.4	176.6	Minority interests	238.2	238.0
Total	2,362.6	2,324.9	Total	2,362.6	2,324.9
			Interest-bearing debt balance	708.8	641.0



Consolidated Statements of Cash Flows

Unit; billions of yen

	FY2007 3rd Quarter (year to date)	FY2006 Full Year
Cash flows from operating activities	105.1	142.9
Cash flows from investing activities	△173.6	△164.2
Free cash flows	△68.5	△21.3
Cash flows from financing activities	41.1	35.6
Effect of exchange rate changes on cash and cash equivalents	0.4	0.8
Net increase (decrease) in cash and cash equivalents	△27.0	15.0
Cash and cash equivalents at end of year	99.2	126.0



Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY2007 3rd Quarter (year to date)	FY2006 3rd Quarter (year to date)	
The Polyolefin Company (Singapore)	102.8	84.4	Slightly increased because of rise in market prices for synthetic resins and increase in shipments
Petrochemical Corporation of Singapore	250.6	206.3	Increased because of rise in market prices for petrochemicals
Dongwoo Fine-Chem	133.1	117.3	Decreased because of declines in product prices
Valent U.S.A. and Subsidiaries	33.2	32.6	Profits remained unchanged because of increased development and other costs