

**Sumitomo Chemical Company, Limited**  
**Consolidated Financial Results**  
**For the 1<sup>st</sup> Quarter of the Fiscal Year Ending March 31, 2004**

Sumitomo Chemical Company, Limited today announced that its consolidated net sales for the 3 months ended June 30, 2003 totaled ¥260.6 billion (\$2,175 million) and net income amounted to ¥7.3 billion (\$61 million).

Sales overviews by business segment are as follows.

**Basic Chemicals:** Methyl methacrylate sales posted steady growth owing to a higher market price reflecting strong demand. Aluminum business was sluggish due to stagnant demand. A new caprolactam plant, based on a newly-developed proprietary catalyst, began commercial production in this quarter.

**Petrochemicals & Plastics:** Plastics business in overseas markets remained strong thanks to favorable market conditions. In April 2003, a new propylene oxide (PO) plant, based on a new PO-only process, started its commercial operation in Chiba, Japan.

**Fine Chemicals:** Sales of pharmaceutical intermediates and resorcinol (a raw material for adhesives) showed solid growth, particularly in export markets.

**IT-related Chemicals:** The business of functional films for LCDs continued to enjoy steady growth, owing to strong demand in the IT and electronics-related industries. In March 2003, Dongwoo STI Co., Ltd, a consolidated subsidiary in South Korea, started operation of its new fifth-generation TFT-LCD color filters production plant.

**Agricultural Chemicals:** Crop protection chemicals business remained strong in overseas markets. Feed additives business was affected by competitive price situations mainly in overseas markets.

**Pharmaceuticals:** The business environment continued to be difficult for the pharmaceutical industry because of various institutional reforms undertaken by the Japanese government to contain increases in national medical expenditures. Under the circumstances, however, *Amlodin* (therapeutic agent for hypertension and angina pectoris) and *Meropen* (carbapenem antibiotic) showed continued growth in sales.

Consolidated results for the 1<sup>st</sup> quarter were in line with original forecasts. The forecast for the Fiscal Year ending March 31, 2004, remains unchanged.

(Note)

\*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥119.80= \$1 prevailing on June 30, 2003.

(Cautionary Statement)

Statements made in this release with respect to the Company'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.

## Summary of Consolidated Results

### (1) Results of operations:

	First 3 Months ended		Fiscal Year ended
	June 30, 2003		March 31, 2003
	( ¥ Million )	( US\$ 1,000 )*	( ¥ Million )
Net sales	¥ 260,577	\$ 2,175,100	¥ 1,111,128
Operating Income	14,674	122,487	73,520
Income before income taxes and minority interests	15,892	132,654	63,214
<b>Net income</b>	<b>7,261</b>	<b>60,609</b>	<b>31,134</b>
	( Yen )	( US\$ )*	( Yen )
Net income per 1,000 shares	¥ 4,391	\$ 37	¥ 18,742

### (2) Financial position:

	At June 30, 2003		At March 31, 2003
	( ¥ Million )	( US\$ 1,000 )*	( ¥ Million )
Total assets	¥ 1,509,289	\$ 12,598,406	¥ 1,484,275
<b>Total shareholders' equity</b>	<b>459,368</b>	<b>3,834,457</b>	<b>444,334</b>
	( Yen )	( US\$ )*	( Yen )
Book value per 1,000 shares	¥ 277,788	\$ 2,319	¥ 268,615

### (3) Results of operations by business segment:

	First 3 Months ended		Fiscal Year ended
	June 30, 2003		March 31, 2003
	( ¥ Million )	( US\$ 1,000 )*	( ¥ Million )
<b>Net Sales</b>			
Basic Chemicals	¥ 48,400	\$ 404,007	¥ 194,388
Petrochemicals & Plastics	72,738	607,162	371,630
Fine Chemicals	20,038	167,262	83,859
IT-related Chemicals	25,110	209,599	82,516
Agricultural Chemicals	40,917	341,544	158,712
Pharmaceuticals	40,729	339,975	168,446
Others	12,645	105,551	51,577
	<b>¥ 260,577</b>	<b>\$ 2,175,100</b>	<b>¥ 1,111,128</b>
<b>Operating income</b>			
Basic Chemicals	¥ 720	\$ 6,010	¥ 5,731
Petrochemicals & Plastics	938	7,830	5,017
Fine Chemicals	1,599	13,347	9,274
IT-related Chemicals	1,320	11,018	474
Agricultural Chemicals	1,340	11,185	16,685
Pharmaceuticals	8,363	69,808	32,299
Others	504	4,207	4,191
Elimination	( 110 )	( 918 )	( 151 )
	<b>¥ 14,674</b>	<b>\$ 122,487</b>	<b>¥ 73,520</b>

Beginning this quarter, the Company has reclassified certain subsidiaries and affiliates in terms of business segments to which they belong.

Prior period statements have been restated to conform to the current period.

#### (Note)

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