

Sumitomo Chemical Company Reports Financial Results For Fiscal 2004 First Quarter

Sumitomo Chemical Company, Ltd. today announced that its consolidated net sales for the 3 months ended June 30, 2004, totaled ¥299.9 billion (\$2,766 million) and net income amounted to ¥16.7 billion (\$154 million).

A sales overview of each segment is as follows:

Basic Chemicals: Sales grew 11.5% compared with the first quarter of FY 2003 (From April 1, 2003 to March 31, 2004). Methyl methacrylate sales increased both in Japan and overseas. Sales of caprolactam and aluminum also expanded because of higher market prices and increased shipments.

Petrochemicals & Plastics: Sales of this segment increased 26.3% over the first quarter of the previous year. Product prices rose as a result of significantly increased prices for feedstock, such as naphtha. Sales amount expanded for petrochemicals in Japan and plastics in Southeast Asia.

Fine Chemicals: Sales remained at the same level as last year. Sales of pharmaceutical intermediates grew steadily owing to increased exports, while sales of adhesives raw materials were lower than the first quarter of the prior year.

IT-related Chemicals: This segment showed 59.0% growth in sales over the same period last year. Supported by robust demand for LCD color filters and polarizing film, overseas subsidiaries such as Dongwoo STI Co., Ltd. and Dongwoo Optical Film Co., Ltd. in Korea recorded significant sales growth.

Agricultural Chemicals: Total sales in the segment were slightly lower than in the first quarter of FY 2003. While sales of household insecticide increased, sales of plant protection chemicals declined because of the stronger yen. In addition, feed additive sales were lower than in the first quarter of the previous year, due to continued low prices in overseas markets.

Pharmaceuticals: Sales grew 4.7% compared with the first quarter of the previous year. Despite the National Health Insurance price cut in April of this year, sales of this segment expanded, owing to promotion of products, particularly *Amlodin* (therapeutic agent for hypertension and angina pectoris) and *Meropen* (carbapenem antibiotic).

In summary, the first quarter of FY 2004 has delivered improvement in performance over the same period last year. The forecast for FY 2004 remains unchanged.

(Note)

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥108.43= \$1 prevailing on June 30, 2004.

(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:

	3 Months ended June 30, 2004		3 Months ended June 30, 2003
	(¥ Million)	(US\$ 1,000)	(¥ Million)
Net Sales	¥ 299,922	\$ 2,766,043	¥ 260,577
Operating Income	24,130	222,540	14,674
Income Before Income Taxes and Minority Interests	32,218	297,132	15,892
Net Income	16,711	154,118	7,261
	(Yen)	(US\$)	(Yen)
Net income per 1,000 shares	¥ 10,106	\$ 93	¥ 4,391

(2) Financial Position:

	As of June 30, 2004		As of March 31, 2004
	(¥ Million)	(US\$ 1,000)	(¥ Million)
Total Assets	¥ 1,584,843	\$ 14,616,278	¥ 1,549,291
Total Shareholders' Equity	522,178	4,815,807	506,122
	(Yen)	(US\$)	(Yen)
Book Value per 1,000 shares	¥ 315,804	\$ 2,913	¥ 306,046

(3) Results of Operations by Business Segment:

	3 Months ended June 30, 2004		3 Months ended June 30, 2003
	(¥ Million)	(US\$ 1,000)	(¥ Million)
Net Sales			
Basic Chemicals	¥ 53,955	\$ 497,602	¥ 48,400
Petrochemicals & Plastics	91,871	847,284	72,738
Fine Chemicals	20,473	188,813	20,038
IT-related Chemicals	39,917	368,136	25,110
Agricultural Chemicals	39,849	367,509	40,917
Pharmaceuticals	42,653	393,369	40,729
Others	11,204	103,330	12,645
	¥ 299,922	\$ 2,766,043	¥ 260,577
Operating Income			
Basic Chemicals	¥ 1,019	\$ 9,398	¥ 720
Petrochemicals & Plastics	575	5,303	938
Fine Chemicals	2,631	24,264	1,599
IT-related Chemicals	6,968	64,263	1,320
Agricultural Chemicals	2,011	18,547	1,340
Pharmaceuticals	9,858	90,916	8,363
Others	1,025	9,453	504
Elimination	43	396	(110)
	¥ 24,130	\$ 222,540	¥ 14,674

(Note)

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