

For Immediate Release

February 9, 2005

Sumitomo Chemical Reports Consolidated Financial Results For the Nine Months Ended December 31, 2004

Sumitomo Chemical Company, Limited today announced that its consolidated net sales for the nine months ended December 31, 2004 totaled ¥948.0 billion (\$9,097 million), a 12.2% increase over the same period of last year. Net income increased 88.5% to ¥44.2 billion (\$424 million).

The sales overview for the nine months by business segment is as follows.

Sales in the Basic Chemicals segment rose 13.6% from the same period of last year, thanks to increased sales of caprolactam and aluminum under improved market conditions.

The Petrochemicals and Plastics segment saw a significant increase of 16.8% in sales over last year. Sales in plastics and petrochemical products such as styrene monomer posted a major expansion due to the sales price hike, reflecting the elevated prices of feed stock as well as the general recovery of the market, mainly in South East Asia.

Sales in the Fine Chemicals segment grew 7.8% over last year, owing to the steady sales of adhesive raw materials, etc., and increased sales of pharmaceutical bulk and intermediates, mainly for export.

The IT-related Chemicals segment showed a considerable sales increase of 43.9% on the same period of last year. Sales of polarizing film and color filters expanded substantially owing to the growth of the LCD display market as well as the production increase of the facilities in Korea which came into full-scale operation in the latter half of 2003.

Sales of Agricultural Chemicals segment increased 2.8% on last years' figures owing mainly to the increased shipments of agrichemicals and household insecticides, although exports of feed additives decreased under stagnant market conditions.

Sales in the Pharmaceuticals segment remained at the same level as the previous year despite the drug price reduction in Japan in April of 2004. The solid performance was due to expanded sales of *Amlodin* (a therapeutic agent for hypertension and angina pectoris) and *Meropen* (carbapenem antibiotic).

In summary, results for nine months ended December 31, 2004 represent considerable improvements over the same period of last year. The forecast for the full 2004 fiscal year announced on November 11, 2004 remains unchanged.

(Note)

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥104.21= \$1 prevailing on December 31, 2004.

(Cautionary Statement)

Statements made in this release with respect to the 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.

Summary of Consolidated Results

(1) Results of operations:

| | 9 Months ended December 31, 2004 | | 9 Months ended December 31, 2003 | |
|--|-------------------------------------|------------------|-------------------------------------|--|
| | (¥ Million) | (US\$ 1,000) * | (¥ Million) | |
| Net Sales | ¥ 948,021 | \$ 9,097,217 | ¥ 845,166 | |
| Operating Income | 77,017 | 739,056 | 45,941 | |
| Income Before Income Taxes and Minority Interests | 91,794 | 880,856 | 48,380 | |
| Net Income | 44,150 | 423,664 | 23,424 | |
| | (Yen) | (US\$) * | (Yen) | |
| Net income per 1,000 shares | ¥ 26,704 | \$ 256 | ¥ 14,165 | |

(2) Financial Position:

| | As of December 31, 2004 | | As of March 31, 2004 | |
|-----------------------------|-------------------------|------------------|----------------------|--|
| | (¥ Million) | (US\$ 1,000) * | (¥ Million) | |
| Total Assets | ¥ 1,618,661 | \$ 15,532,684 | ¥ 1,549,291 | |
| Total Shareholders' Equity | 546,892 | 5,247,980 | 506,122 | |
| | (Yen) | (US\$) * | (Yen) | |
| Book Value per 1,000 shares | ¥ 330,869 | \$ 3,175 | ¥ 306,046 | |

(3) Results of Operations by Business Segment:

| | 9 Months ended December 31, 2004 | | 9 Months ended December 31, 2003 | |
|---------------------------|-------------------------------------|------------------|-------------------------------------|--|
| | (¥ Million) | (US\$ 1,000) * | (¥ Million) | |
| Net Sales | | | | |
| Basic Chemicals | ¥ 168,527 | \$ 1,617,186 | ¥ 148,292 | |
| Petrochemicals & Plastics | 306,095 | 2,937,290 | 262,096 | |
| Fine Chemicals | 63,332 | 607,734 | 58,774 | |
| IT-related Chemicals | 128,830 | 1,236,254 | 89,522 | |
| Agricultural Chemicals | 119,237 | 1,144,199 | 116,025 | |
| Pharmaceuticals | 126,625 | 1,215,095 | 126,678 | |
| Others | 35,375 | 339,459 | 43,779 | |
| | ¥ 948,021 | \$ 9,097,217 | ¥ 845,166 | |
| Operating Income | | | | |
| Basic Chemicals | ¥ 2,966 | \$ 28,462 | ¥ 2,449 | |
| Petrochemicals & Plastics | 8,451 | 81,096 | (2,035) | |
| Fine Chemicals | 9,479 | 90,961 | 5,194 | |
| IT-related Chemicals | 16,694 | 160,196 | 8,178 | |
| Agricultural Chemicals | 7,799 | 74,839 | 4,347 | |
| Pharmaceuticals | 27,867 | 267,412 | 24,919 | |
| Others | 3,519 | 33,768 | 2,704 | |
| Elimination | 242 | 2,322 | 185 | |
| | ¥ 77,017 | \$ 739,056 | ¥ 45,941 | |

(Note)

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