

Sumitomo Chemical Reports Consolidated Financial Results For the Three Months Ended June 30, 2005

Sumitomo Chemical Company, Limited today announced that its consolidated net sales for the three months ended June 30, 2005 totaled ¥336.1 billion (\$3,038 million), a 12.1% increase over the same period of last year. Net income increased 29.6% to ¥21.7 billion (\$196 million).

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

Sales in the Basic Chemicals segment rose 6.3% from the same period of previous year. Reflecting soaring prices of feedstock, favorable market conditions for caprolactam and acrylonitrile, the raw materials for synthetic fibers, were the main factors driving increased sales.

The Petrochemicals and Plastics segment showed 24.6% growth in sales over last year. Sales for plastics increased thanks to the prevailing solid demand in Asia. Sales of petrochemical products rose under improved market conditions due to the steep hike in feedstock prices, such as naphtha.

Sales in the Fine Chemicals segment decreased 8.5% on the same period of last year. While sales of raw materials for adhesives held firm, intensifying competition caused a decline in prices for pharmaceutical active ingredients, leading to a decrease in sales.

The IT-related Chemicals segment saw an increase of 18.9% in sales over the same period of last year's figures. Sales of liquid crystal polymer and photo resists grew under the solid market conditions. Expanded production capacity led to a considerable increase in shipments of color filters and polarizing film, though lower selling prices weakened an increase in sales.

Sales of Agricultural Chemicals segment remained at the same level as the previous year. Enhanced sales promotion of feed additives contributed to an increase in shipments. Sales of agrichemicals and household insecticides remained solid.

Sales in the Pharmaceuticals segment increased 8.5% over the first quarter of the previous year. Sales of *Amlodin* (therapeutic agent for hypertension and angina pectoris) and *Meropen* (carbapenem antibiotic) grew steadily. Receipt of an initial payment from a licensee for Schizophrenia drug under development was also a factor in the improved results.

In summary, results for three months ended June 30, 2005 showed a steady expansion in performance over the same period of last year.

(Note)

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥110.62= \$1 prevailing on June 30, 2005.

(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:

	3 Months ended June 30, 2005		3 Months ended June 30, 2004
	(¥ Million)	(US\$ 1,000)*	(¥ Million)
Net Sales	¥ 336,087	\$ 3,038,212	¥ 299,922
Operating Income	29,706	268,541	24,130
Income Before Income Taxes and Minority Interests	43,325	391,656	32,218
Net Income	21,664	195,842	16,711
	(Yen)	(US\$)*	(Yen)
Net income per 1,000 shares	¥ 13,108	\$ 118	¥ 10,106

(2) Financial Position:

	As of June 30, 2005		As of March 31, 2005
	(¥ Million)	(US\$ 1,000)*	(¥ Million)
Total Assets	¥ 1,690,209	\$ 15,279,416	¥ 1,648,796
Total Shareholders' Equity	581,831	5,259,727	569,601
	(Yen)	(US\$)*	(Yen)
Book Value per 1,000 shares	¥ 352,039	\$ 3,182	¥ 344,576

(3) Results of Operations by Business Segment:

	3 Months ended June 30, 2005		3 Months ended June 30, 2004
	(¥ Million)	(US\$ 1,000)*	(¥ Million)
Net Sales			
Basic Chemicals	¥ 57,372	\$ 518,640	¥ 53,955
Petrochemicals & Plastics	114,511	1,035,174	91,871
Fine Chemicals	18,739	169,400	20,473
IT-related Chemicals	47,461	429,045	39,917
Agricultural Chemicals	40,016	361,743	39,849
Pharmaceuticals	46,269	418,270	42,653
Others	11,719	105,940	11,204
	¥ 336,087	\$ 3,038,212	¥ 299,922
Operating Income			
Basic Chemicals	¥ 3,111	\$ 28,123	¥ 1,019
Petrochemicals & Plastics	5,797	52,405	575
Fine Chemicals	2,475	22,374	2,631
IT-related Chemicals	3,808	34,424	6,968
Agricultural Chemicals	2,333	21,090	2,011
Pharmaceuticals	12,009	108,561	9,858
Others	206	1,862	1,025
Elimination	(33)	(298)	43
	¥ 29,706	\$ 268,541	¥ 24,130

(Note)

*U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥110.62= \$1 prevailing on June 30, 2005.