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# Financial Results of FY2006 Third Quarter



**February 5, 2007**



**Sumitomo Chemical Co., Ltd.**



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## Consolidated Financial Results of FY2006 Third Quarter

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# Financial Summary

Unit; billions of yen

	FY2006 3rd Quarter (year to date)	FY2005 3rd Quarter (year to date)	Difference	Growth
Net Sales	1,296.2	1,097.8	198.4	18.1%
Operating Income	105.4	88.4	17.0	19.2%
Ordinary Income	120.9	109.2	11.7	10.7%
(Equity in earnings of affiliates, included in ordinary income)	(15.2)	(20.4)	(-5.2)	(-25.4%)
Net Income	72.9	71.3	1.6	2.3%
Naphtha Price (yen/KL)	50,300	41,100		
Exchange Rate (yen/US\$)	116.19	112.11		



# Net Sales by Segment

Unit; billions of yen

	FY2006 3rd Quarter (year to date)	FY2005 3rd Quarter (year to date)	Difference	Growth	Sales Price Variance	Shipping Volume Variance
Basic Chemicals	228.2	178.1	50.1	28.1%	30.0	20.1
Petrochemicals	397.8	351.5	46.3	13.2%	44.0	2.3
Fine Chemicals	69.0	57.3	11.6	20.3%	1.5	10.1
IT-related Chemicals	198.2	159.2	39.0	24.5%	-33.0	72.0
Agricultural Chemicals	138.2	128.3	9.9	7.7%	3.0	6.9
Pharmaceuticals	175.5	166.6	8.9	5.4%	-9.0	17.9
Others	89.3	56.9	32.5	57.1%	0.0	32.5
<b>Total</b>	<b>1,296.2</b>	<b>1,097.8</b>	<b>198.4</b>	<b>18.1%</b>	<b>36.5</b>	<b>161.9</b>



# Operating Income by Segment

Unit; billions of yen

	Basic Chemicals	Petrochemicals	Fine Chemicals	IT-related Chemicals	Agricultural Chemicals	Pharmaceuticals	Others	Total
<b>Operating Income</b>								
FY2006 3rd Quarter (yto d)	9.5	17.5	10.0	8.6	13.2	42.7	3.9	105.4
FY2005 3rd Quarter (yto d)	7.3	12.8	7.3	14.8	9.4	34.4	2.4	88.4
<b>Difference</b>	2.2	4.7	2.7	-6.2	3.8	8.3	1.5	17.0

<b>Price Variance</b>	-6.0	2.5	-1.0	-33.0	1.0	-9.0	0.0	-45.5
Sales Price Variance	30.0	44.0	1.5	-33.0	3.0	-9.0	0.0	36.5
Purchase Price Variance	-36.0	-41.5	-2.5	0.0	-2.0	0.0	0.0	-82.0
<b>Cost Variance</b>	-0.5	1.5	2.0	9.0	2.5	-17.0	-3.0	-5.5
VC	1.0	1.0	0.5	23.5	1.0	0.0	0.0	27.0
FC	-1.5	0.5	1.5	-14.5	1.5	-17.0	-3.0	-32.5
Shipping Volume Variance	8.7	0.7	1.7	17.8	0.3	34.3	4.5	68.0
<b>Total</b>	2.2	4.7	2.7	-6.2	3.8	8.3	1.5	17.0



# Special Gains / Losses

Unit ; billions of yen

	FY2006 3rd Quarter (year to date)	FY2005 3rd Quarter (year to date)	Difference
Gain on sale of investment securities	24.7	6.0	18.7
Gain on change in interests in consolidated subsidiary	-	14.3	-14.3
Gain on business transfer	-	4.5	-4.5
Gain on sale of property, plant and equipment	-	2.0	-2.0
<b>Special Gains</b>	<b>24.7</b>	<b>26.8</b>	<b>-2.0</b>
Restructuring charges	4.4	3.9	0.6
Loss on reform of retirement benefits plan	0.6	-	0.6
Expenses for subsidiary merger	-	5.0	-5.0
<b>Special Losses</b>	<b>5.1</b>	<b>8.8</b>	<b>-3.8</b>
<b>Special Gains / Losses</b>	<b>19.7</b>	<b>18.0</b>	<b>1.7</b>



# Consolidated Balance Sheets

Unit ; billions of yen

	31-Dec-06	31-Mar-06		31-Dec-06	31-Mar-06
<b>Current Assets</b>	<b>989.3</b>	<b>946.6</b>	<b>Liabilities</b>	<b>1,260.7</b>	<b>1,234.2</b>
Cash and cash equivalents	130.1	111.0	Trade notes and accounts	263.0	265.2
Trade notes and accounts	375.9	399.3	Short-term debt	188.2	159.2
Inventories	334.4	294.8	Long-term debt due within one year	51.5	44.6
Others	148.9	141.5	Long-term debt due after one year	389.4	374.7
<b>Non-current Assets</b>	<b>1,273.1</b>	<b>1,231.8</b>	Others	368.7	390.4
Property, plant and equipment	617.2	570.3	<b>Net Assets</b>	<b>1,001.6</b>	<b>944.2</b>
Intangible assets	42.3	45.2	Shareholders' equity	611.8	557.9
Investment securities	485.3	503.0	Valuation and translation adjustments	156.0	161.9
Others	128.3	113.3	Minority interests	233.9	224.5
<b>Total</b>	<b>2,262.4</b>	<b>2,178.4</b>	<b>Total</b>	<b>2,262.4</b>	<b>2,178.4</b>
			<b>Interest-bearing debt balance</b>	<b>629.1</b>	<b>578.6</b>



# Major Subsidiaries

Unit; billions of yen

Company	Net Sales		Operating Income Status
	FY06.3Q (year to date)	FY05.3Q (year to date)	
<b>The Polyolefin Company (Singapore)</b>	<b>84.4</b>	<b>79.9</b>	Decreased because of the products margins down by rises in feedstock prices
<b>Petrochemical Corporation of Singapore</b>	<b>206.3</b>	<b>170.0</b>	Decreased because of the products margins down by rises in feedstock prices.
<b>Dongwoo Fine-Chem</b>	<b>117.3</b>	<b>88.6</b>	Decreased because of decreasing selling prices
<b>Valent U.S.A. and Subsidiaries</b>	<b>32.6</b>	<b>33.6</b>	Decreased because of increased R&D expenses