

For Immediate Release

February 16, 2004

Sumitomo Chemical to transfer flocculants business

Sumitomo Chemical Co., Ltd. (Sumitomo) announced today to transfer its polymer flocculants business to Mitsui Chemicals AquaPolymer, Inc.(MCAP). The transfer is planned to be completed by 31st of March, 2004.

Sumitomo has been implementing a policy of “selection and concentration”, focusing on the competitive edges of each business sector. It is in line with this policy that the Company has decided to divest the flocculants business and mobilize management resources in the Fine Chemicals Sector to further enhance its drive forward “Synthetic Specialty Chemicals Business based on advanced organic synthesis technology”.

Meanwhile, Sumika Alchem Co., Ltd., a 100% subsidiary of Sumitomo and a distributor of the flocculants for Sumitomo, will continue to operate as a distributor for MCAP after the business transfer.

<Company overview>

Sumika Alchem Co., Ltd.

Location : Chuo-ku, Osaka
Capital : 50 million Yen
President : Masao Yoshihara
Shareholder : Sumitomo Chemical 100%
Main businesses : Marketing of products such as aluminum, alumina, synthetic resins
Employees : 30

Mitsui Chemicals AquaPolymer, Inc.

Location : Chuo-ku, Tokyo
Capital : 460 million Yen
President : Hiroshi Ozawa
Shareholder : Mitsui Chemicals 100%
Main businesses : Production, research and marketing of water treatment chemicals and water soluble polymers
Employees : 50