

Sumitomo Chemical Divests Singapore-Based Acrylic Acid Operations

Tokyo, April 1, 2004 — Sumitomo Chemical Company, Limited today announced agreements to transfer its acrylic acid operations in Singapore to Nippon Shokubai Co., Ltd. and Toagosei Co., Ltd.

The specifics of these agreements are as follows:

1. Sumitomo Chemical Singapore Pte Ltd, a wholly owned subsidiary of Sumitomo Chemical, will transfer 51% of its holdings in Singapore Acrylic Pte Ltd, an acrylic acid producer (production capacity: 60,000 tons/yr; 60% owned by Sumitomo Chemical Singapore; 40% owned by Toagosei Asia), to Nippon Shokubai.
2. Sumitomo Chemical Singapore will transfer all of its holdings in Sumika Glacial Acrylic Pte Ltd, a glacial acrylic acid producer (production capacity: 25,000 tons/yr; 100% owned by Sumitomo Chemical Singapore), to Nippon Shokubai.
3. Sumitomo Chemical Singapore will transfer all of its holdings in Singapore Acrylic Ester Pte Ltd, an acrylic esters producer (production capacity: 82,000 tons/yr; 75% owned by Toagosei; 25% owned by Sumitomo Chemical Singapore) to Toagosei Asia Pte Ltd.

These equity transfers are scheduled to take place at the end of June 2004.

Sumitomo Chemical is undertaking these moves as part of its “Selection and Concentration” initiative to hone its focus in order to achieve sustained, stable, high-earnings growth. In its Basic Chemicals Sector, the company is focusing its resources on methyl methacrylate (MMA), an area with strong future prospects. In 2002 Sumitomo Chemical entered into a business swap with Nippon Shokubai in which it received Nippon Shokubai’s MMA business in exchange for transferring its domestic acrylic acid operations to Nippon Shokubai. The latest agreements are an extension of Sumitomo Chemical’s strategy of strengthening its MMA business while divesting its acrylic acid business. By transferring the bulk of its acrylic acid operations in Singapore to Nippon Shokubai and Toagosei, the company is advancing its efforts of greater “Selection and Concentration.”