

## **Sumitomo Chemical and Tosoh Corporation to re-organize collaboration on Linear Low-Density Polyethylene Production**

Sumitomo Chemical Co., Ltd..  
Tosoh Corporation

**Tokyo, November 30, 2004** --- Sumitomo Chemical Co., Ltd. (“Sumitomo”) and Tosoh Corporation (“Tosoh”) today announced an agreement to re-organize collaboration on linear low-density polyethylene (LLDPE) production through their joint venture, Chiba Polyethylene Co., Ltd. The terms of the agreement are as follows:

- a. Effective the end of December 2004, Tosoh will transfer to Sumitomo its equity ownership (25%, 125 million yen) in Chiba Polyethylene Co., Ltd., which will then become a wholly owned subsidiary of Sumitomo. Concurrently, Sumitomo will acquire Tosoh’s product off-take rights from the joint venture, corresponding to its equity shareholding (25% of the annual production capacity of 100 thousand tons)
- b. As a transitional arrangement following the transfer of Tosoh’s ownership in the joint venture, Sumitomo will supply LLDPE of Chiba Polyethylene to Tosoh during an agreed period of time

In the future each of Sumitomo and Tosoh will pursue its own business development independently. Sumitomo will fully utilize the Chiba Polyethylene’s gas phase LLDPE production facilities to manufacture its proprietary, new class of polyethylene (EPPE) and further accelerate its market development of this new product.

Tosoh will continue to market LLDPE that it produces at its Yokkaichi Complex. The company will reinforce its strategy to differentiate itself from others in the polyethylene market by expanding a line of specialty polyethylene products including LLDPE, along with low-density polyethylene, ethylene vinyl acetate copolymer and high-density polyethylene, thereby building a firmer base of its polyethylene business.

## 2. Outline of Chiba Polyethylene

Founded: February 1990  
Representative: Takatoshi Suzuki (Sumitomo Chemical Executive Officer,  
Chiba Works General Manager)  
Location: Head office Chuo-ku, Tokyo  
Plant: Sodegaura City, Chiba Prefecture (Within the  
premises of Sumitomo Chemical's Chiba Works)  
Scope of Business: Production of Linear Low Density Polyethylene  
Capital: 500 million yen  
Shareholding: Sumitomo Chemical 75%, Tosoh Corporation 25%  
Production capacity: 100, 000 tons / year

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