

May 24,2006

Sumitomo Chemical Announces New Investment in its French Agricultural Chemicals Affiliate by Nihon Nohyaku

Sumitomo Chemical and Nihon Nohyaku Co., Ltd., a Japan-based agricultural chemicals company, have entered into an agreement whereby Nihon Nohyaku will acquire a 10% share of Sumitomo Chemical's French affiliate, Philagro Holding S.A. Philagro Holding is the sole shareholder of Philagro France S.A.S., a well established crop protection product distributor in France. Philagro Holding is jointly owned by Sumitomo Chemical and Nissan Chemical Industries, Ltd. After completion of the share transfer, Sumitomo Chemical will own 60% of Philagro Holding, and Nissan Chemical and Nihon Nohyaku will own a 30% and 10% share, respectively.

Philagro France has an extensive sales network for the promotion of crop protection products in France. In addition, it operates a successful crop protection evaluation and development facility in the Loire Valley. Since its establishment in 1993, Philagro has significantly expanded sales of Sumitomo Chemical's and Nissan Chemical's crop protection products in France through its sales network and evaluation and development facility. Philagro France already distributes flutolanil, Nihon Nohyaku's proprietary fungicide. Through a closer relationship with Nihon Nohyaku, Philagro will enhance its product portfolio and strengthen its business operations currently established on its partnership with Sumitomo Chemical and Nissan Chemical.

Agricultural chemicals is one of Sumitomo Chemical's core businesses, and Sumitomo Chemical is confident that Nihon Nohyaku's closer relationship with Philagro Holding and Philagro France will accelerate the expansion of this business in France, which is one of the world's leading markets for crop protection products. Sumitomo Chemical will work with Nissan Chemical and Nihon Nohyaku to expand the business and enhance the performance of both Philagro Holding and Philagro France.

Philagro Holding

Company Name:	Philagro Holding S.A.
Chairman:	Mr. Yoshihiko Okamoto
Founded:	1993
Head Office:	Saint-Didier-au-Mont-d'Or, France (suburb of Lyon, France)
Capital:	6,100,000 Euro
Major Business Field:	Holding Company of Philagro France S.A.S.

Philagro France

Company Name: Philagro France S.A.S.
General Manager: Mr. Jean-Yves Ravinet
Founded: 1993
Head Office: Saint-Didier-au-Mont-d'Or, France (suburb of Lyon, France)
Capital: 9,912,500 Euro
Major Business Field: Crop protection product distribution in France
2005 Sales amount: 61 Million Euro
Number of Employees: 66

Nihon Nohyaku

Company Name: Nihon Nohyaku Co., Ltd.
President: Mr. Shukichi Ohuchi
Founded: 1928
Head Office: Chuo-ku, Tokyo, Japan
Capital: 10,939 Million Yen
Major Business Field: Agrochemicals (Agriculture/Professional Turf/Home & Garden)
Wood Preservative
Fine Chemicals
Pharmaceuticals & Veterinary Products
2005 Sales amount: 35,354 Million Yen
Number of Employees: About 400

Nissan Chemical

Company Name: Nissan Chemical Industry, Ltd.
President: Mr. Nobuichiro Fujimoto
Founded: 1887
Head Office: Chiyoda-ku, Tokyo, Japan
Capital: 18,942 Million Yen
Major Business Field: Chemicals, Agricultural chemicals and Pharmaceuticals
2005 Sales amount: 169,149 Million Yen
Number of Employees: About 1,500