

Current Management Priority Issues and Business Strategy

 SUMITOMO CHEMICAL

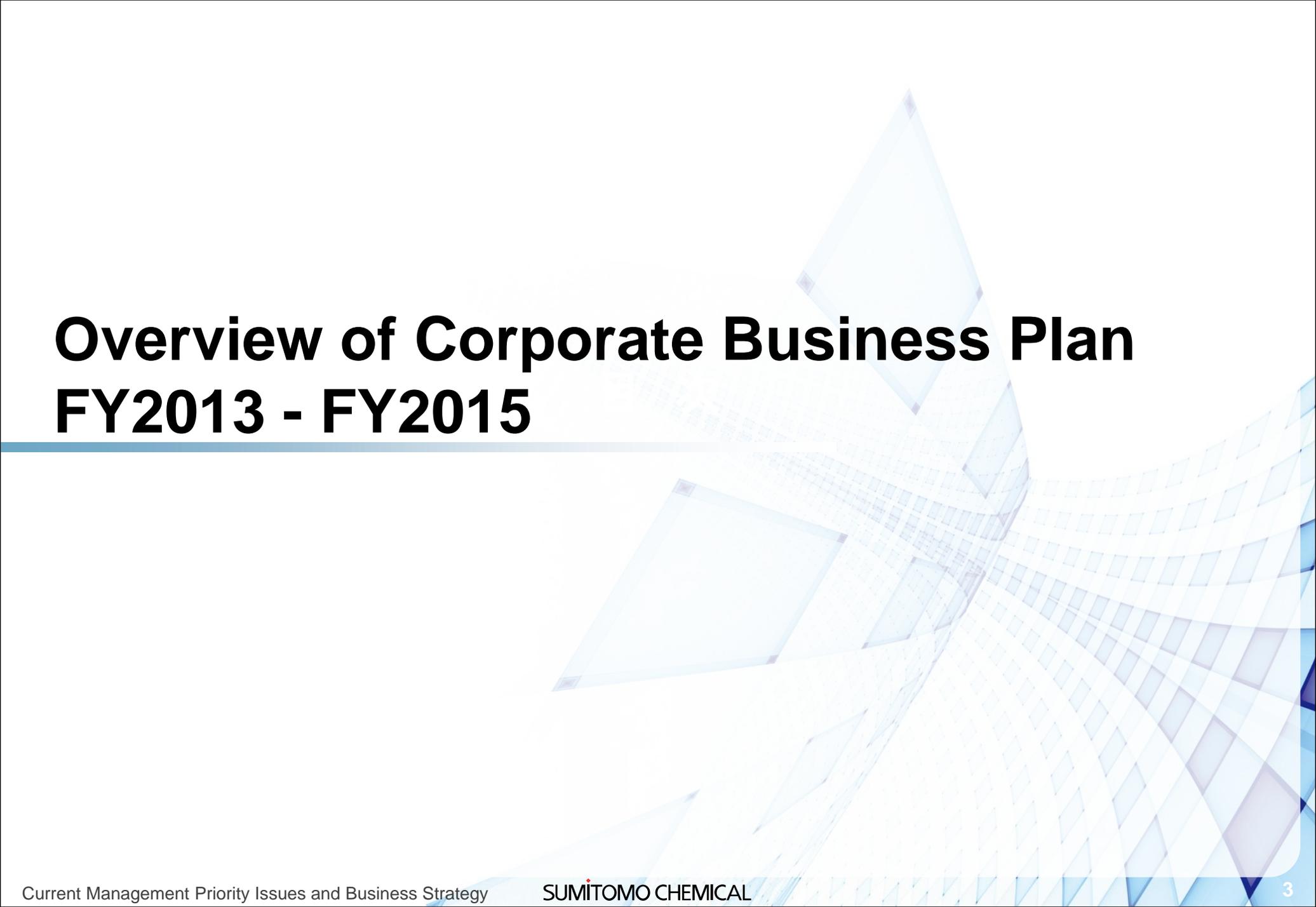
Masakazu Tokura
President

November 27, 2014

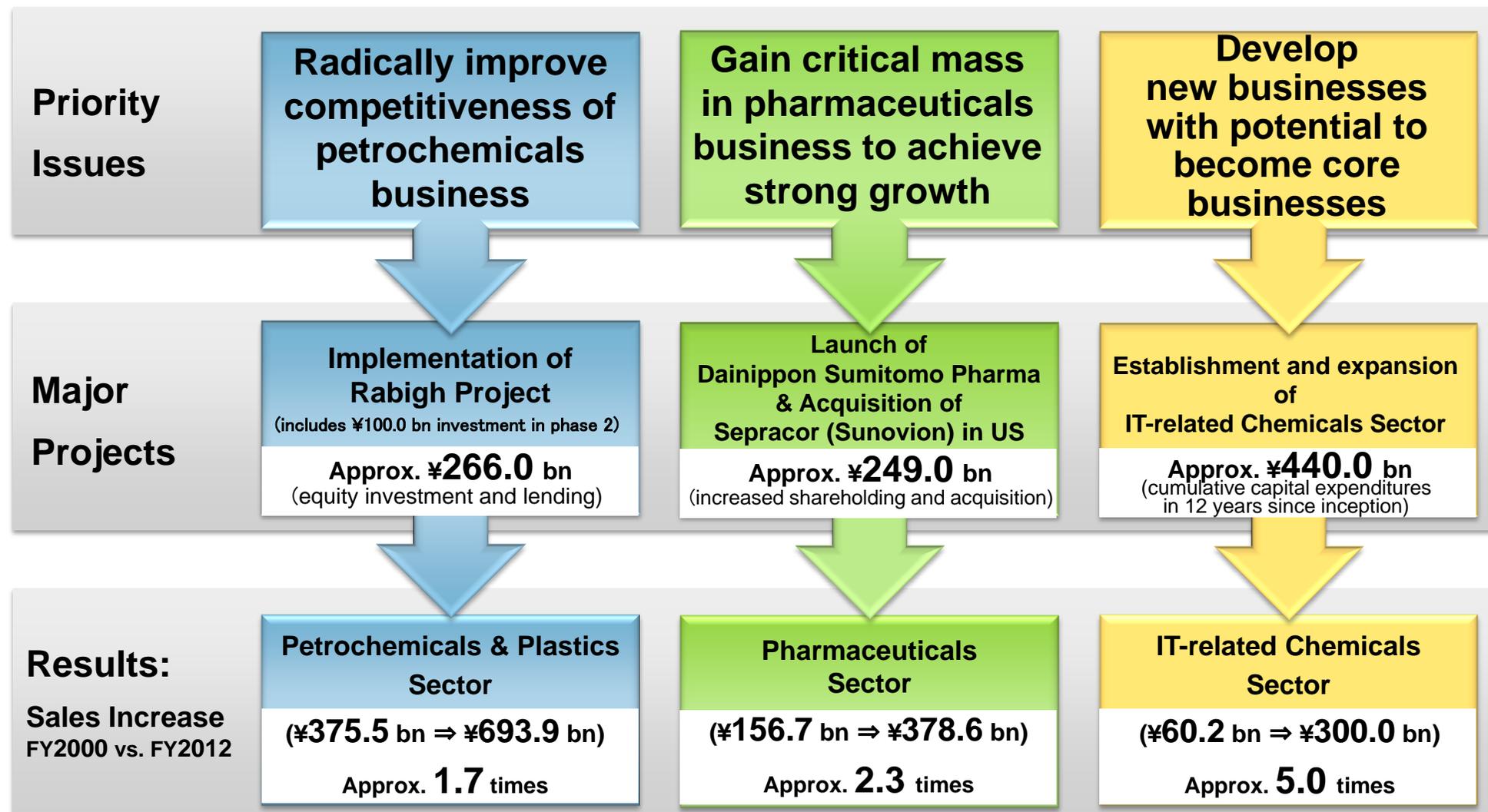
Change
and
Innovation

- 1. Overview of Corporate Business Plan FY2013 - FY2015**
- 2. Overview of FY2014 Performance and FY2015 Outlook**
- 3. Progress on Corporate Business Plan**
 - (1) Restructure Businesses**
 - ① Expand Specialty Chemicals Business**
 - ② Restructure Bulk Chemicals Business**
 - (2) Enhance Financial Strength**
 - (3) Develop Next-Generation Businesses**
- 4. Shareholder Return**

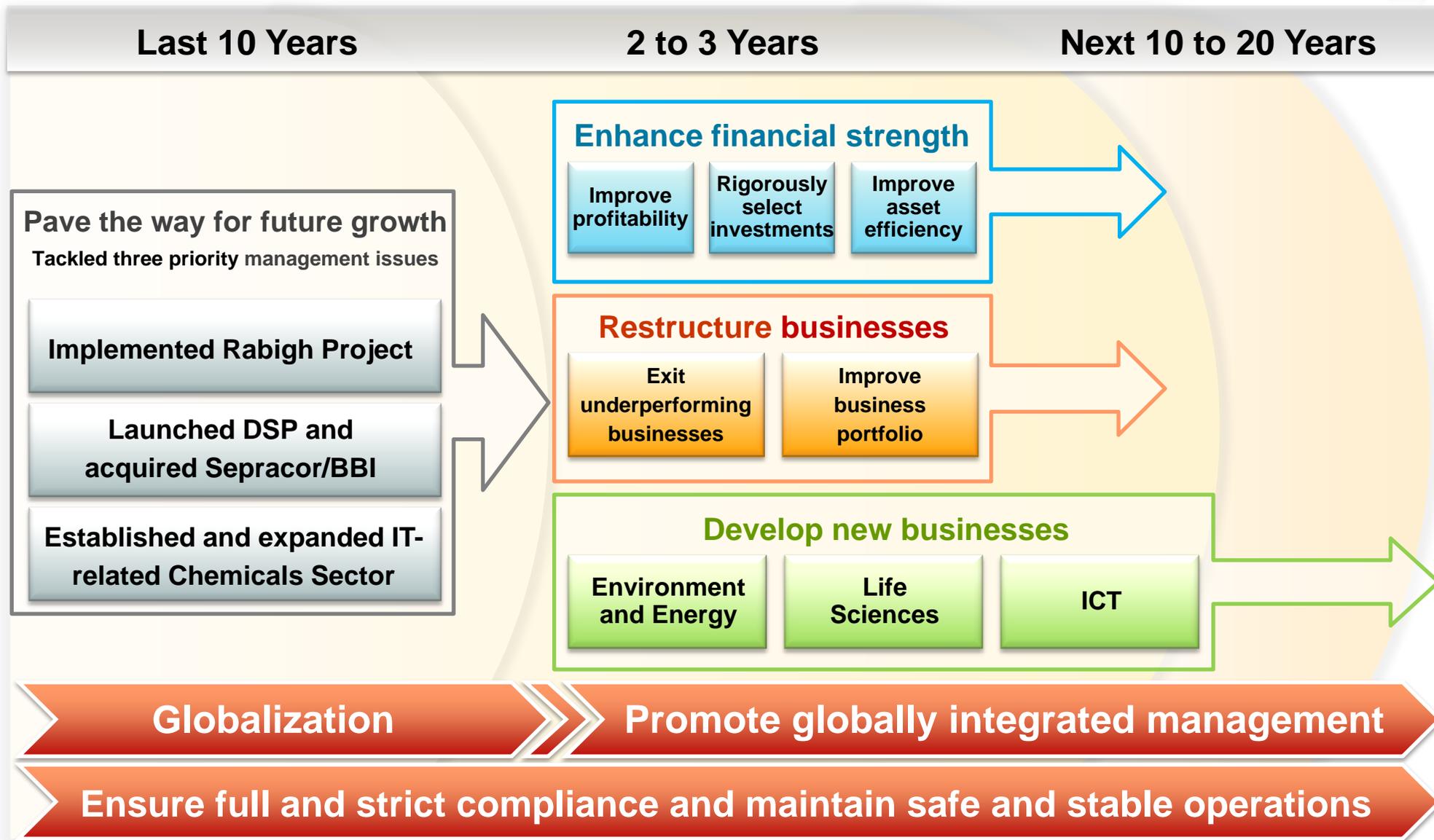
Overview of Corporate Business Plan FY2013 - FY2015



Priority Management Issues & Business Strategy Since the Beginning of the Century



Where We Have Been Heading



Targets for FY2015

Sales	¥2,400 Billion
Operating Income	¥140 Billion
Ordinary Income	¥150 Billion
(Equity in Earnings of Affiliates)	¥25 Billion
Net Income	¥90 Billion
Interest-Bearing Liabilities	Below ¥900 Billion
【Assumptions】	
Exchange Rate	¥80/\$US
Naphtha Price	¥60,000 /kl

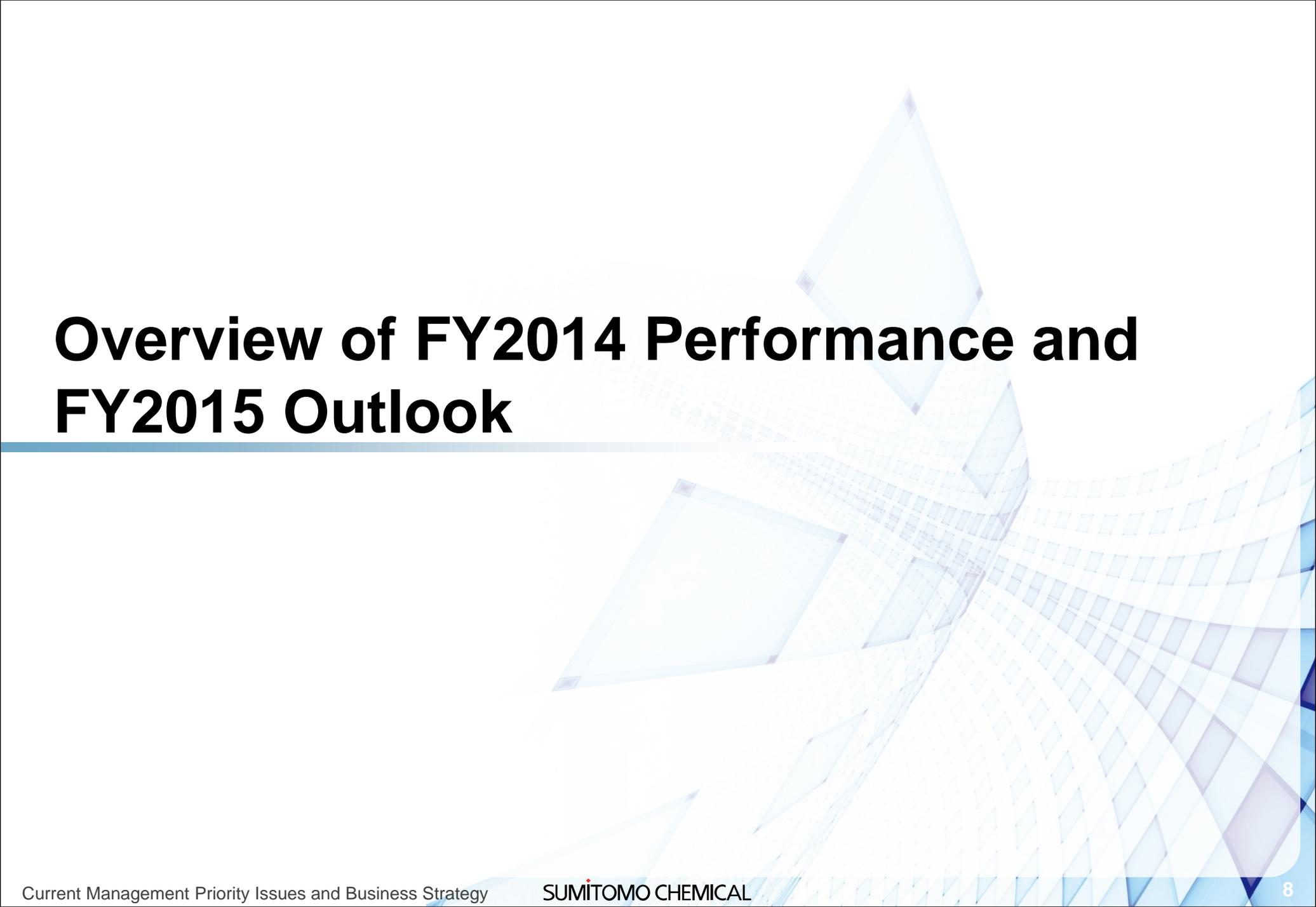
Cash Flow Targets

	FY2010 – FY2012 Corporate Business Plan	FY2013 – FY2015 Corporate Business Plan (Target)
Cash flows from operating activities	¥472.3 billion	¥540 billion
Cash flows from investing activities	- ¥445.7 billion	Below - ¥400 billion
Free cash flows	¥26.6 billion	^{*1} Over ¥200 billion

Note *1: Includes decreases in cash and cash equivalents

	End of FY2012	End of FY2015 (Target)
Interest-bearing liabilities	¥1,060.6 billion	Below ¥900 billion

Overview of FY2014 Performance and FY2015 Outlook



FY2014 First Half Results

(Billions of yen)

	FY2013.1H	FY2014.1H	Change
Sales	1,050.8	1,128.4	+77.6
Operating Income	46.3	36.2	-10.2
(Equity in Earnings of Affiliates)	-1.3	13.8	+15.1
Ordinary Income	44.3	52.8	+8.6
Net Income	12.5	22.6	+10.1
Naphtha Price	¥64,700/kl	¥70,500/kl	
Exchange Rate	¥98.86/\$	¥103.01/\$	

Outlook for FY2014

(Billions of yen)

	FY2013	FY2014 (Forecast)	Change
Sales	2,243.8	2,320.0	+76.2
Operating Income	100.8	105.0	+4.2
(Equity in Earnings of Affiliates)	12.0	20.0	+8.0
Ordinary Income	111.1	120.0	+8.9
Net Income	37.0	45.0	+8.0
Naphtha Price	¥67,300/kl	¥66,200/kl	
Exchange Rate	¥100.17/\$	¥104.00/\$	

Outlook for FY2014 : Operating Income by Sector

(Billions of yen)

	FY2013	FY2014 (Forecast)	Change
Specialty Chemicals	120.2	107.0	-13.2
IT-related Chemicals	34.9	35.0	+0.1
Health & Crop Sciences	38.2	46.0	+7.8
Pharmaceuticals	47.1	26.0	-21.1
Bulk Chemicals	-5.9	5.0	+10.9
Basic Chemicals	-10.9	-7.0	+3.9
Petrochemicals & Plastics	4.9	12.0	+7.1
Others	-13.4	-7.0	+6.4
Total	100.8	105.0	+4.2

Operating Income by Business Segment: FY2014 1H/2H Comparison

(Billions of yen)

	1H	2H	Change	Contributing factors
Specialty Chemicals	41.3	65.7	+24.3	
IT-related Chemicals	14.5	20.5	+6.0	<ul style="list-style-type: none"> • Improved demand and increased sales • Weaker yen
Health & Crop Sciences	11.4	34.6	+23.2	<ul style="list-style-type: none"> • Seasonality (higher demand in 2H) • Weaker yen
Pharmaceuticals	15.4	10.6	-4.9	
Bulk Chemicals	0.6	4.4	+3.8	
Basic Chemicals	-3.9	-3.1	+0.8	<ul style="list-style-type: none"> • One-time licensing revenue • Improved MMA margin
Petrochemicals & Plastics	4.5	7.5	+3.0	<ul style="list-style-type: none"> • One-time licensing revenue
Others	-5.8	-1.2	+4.5	<ul style="list-style-type: none"> • One-time service revenue
Total	36.2	68.8	+32.6	

Targets for FY2015

(Billions of yen)

	FY2014 (Forecast)	FY2015 (Target)	Change
Sales	2,320.0	2,400.0	+80.0
Operating Income	105.0	140.0	+35.0
(Equity in Earnings of Affiliates)	20.0	25.0	+5.0
Ordinary Income	120.0	150.0	+30.0
Net Income	45.0	90.0	+45.0
Naphtha Price	¥66,200/kl	¥60,000/kl	
Exchange Rate	¥104.00/\$	¥80.00/\$	

Targets for FY2015: Operating Income by Sector

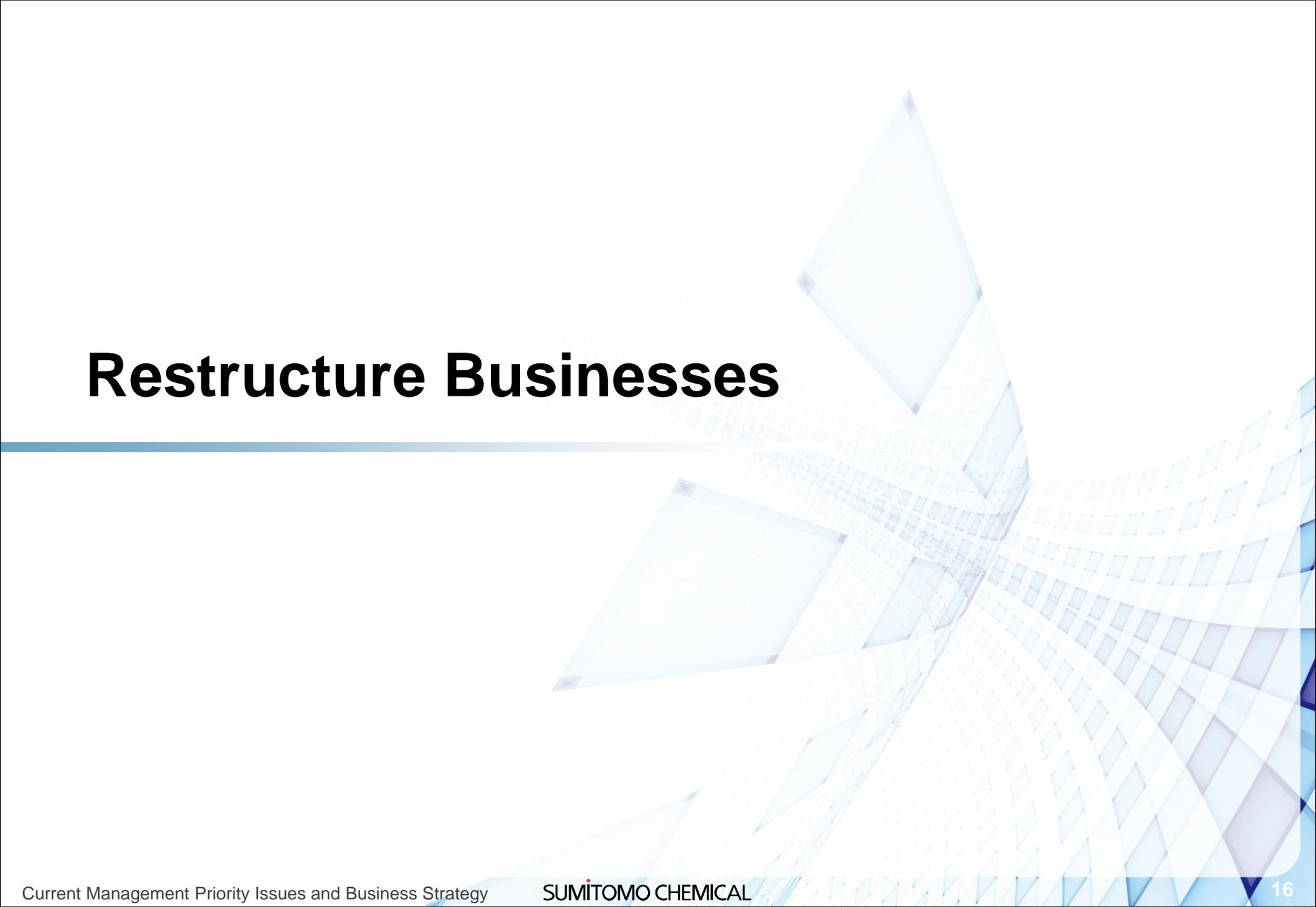
(Billions of yen)

	FY2014 (Forecast)	FY2015 (Target)	Change	FY2015 outlook against target
Specialty Chemicals	107.0	114.0	+7.0	↑
IT-related Chemicals	35.0	34.0	-1.0	↑
Health & Crop Sciences	46.0	45.0	-1.0	↑
Pharmaceuticals	26.0	35.0	+9.0	↑
Bulk Chemicals	5.0	39.0	+34.0	↓
Basic Chemicals	-7.0	15.0	+22.0	↓
Petrochemicals & Plastics	12.0	24.0	+12.0	↓
Others	-7.0	-13.0	-6.0	↑
Total	105.0	140.0	+35.0	→
Equity in Earnings of Affiliates	20.0	25.0	+5.0	↑

Progress on Corporate Business Plan



Restructure Businesses



**Expand
specialty chemicals
business**



**Restructure
bulk chemicals
business**



Improve business portfolio

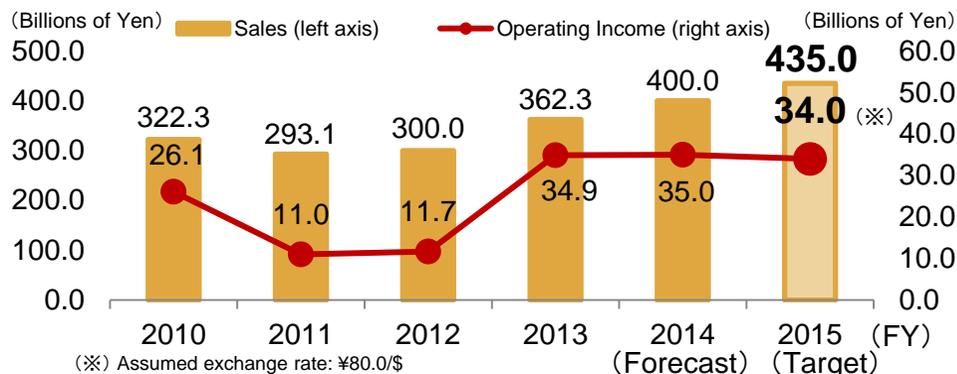
Features and advantages

- A wide range of display material product lines
- Swiftly meeting customer needs

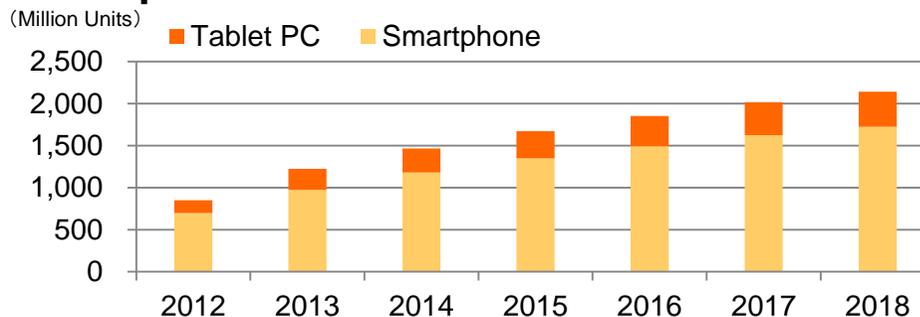
Future growth drivers

- Increase sales of polarizing films and touchscreen panels for small- to medium-sized displays
- Improve cost competitiveness of polarizing films for televisions
- Develop and launch materials and components for next-generation flexible panels
- Increase sales of Li-ion secondary battery separators

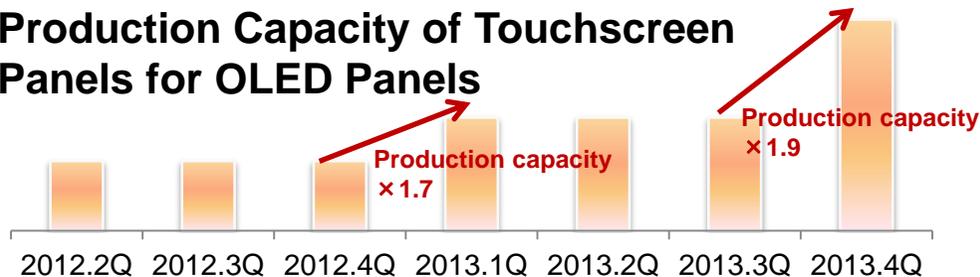
Trends in Sales and Operating Income



Smartphone and Tablet PC Demand



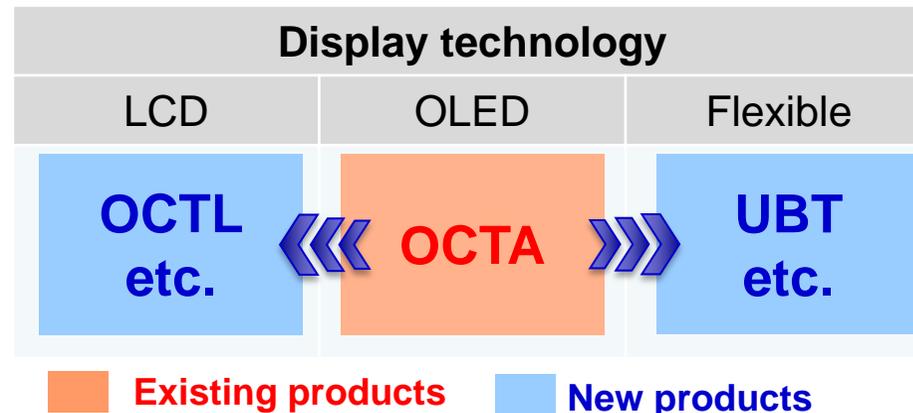
Production Capacity of Touchscreen Panels for OLED Panels



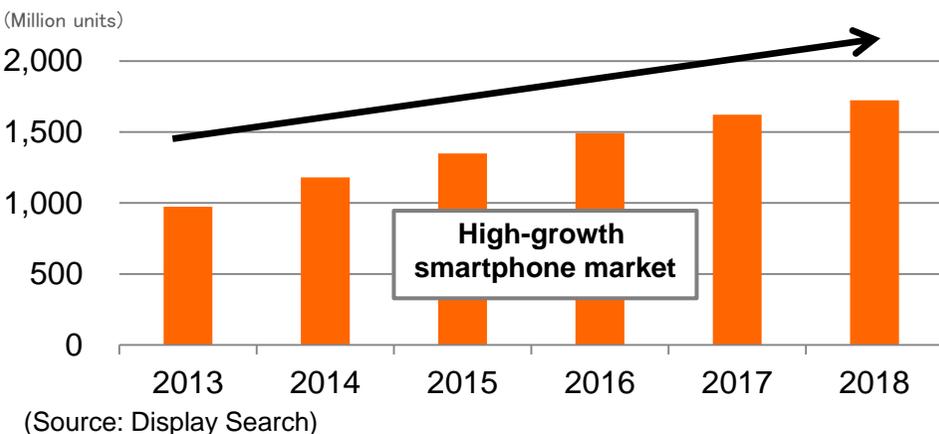
Business area	Progress	Next steps
Polarizing films	<ul style="list-style-type: none"> ✓ Expanded small and medium-sized polarizing film production capacity ✓ Started mass production of next-generation coated polarizing films ✓ Expanded customer base and increased market share for polarizing films used in smartphones ✓ Promoted a new polarizing film replacing a protection film 	<ul style="list-style-type: none"> □ Increase sales of next-generation polarizing films □ Increase market share for polarizing films used in tablet PCs □ Further increase sales of the new polarizing film replacing a protection film □ Develop and launch next-generation laminated type polarizing films
Touchscreen panel	<ul style="list-style-type: none"> ✓ Increased on-cell touchscreen panel production capacity ✓ Built manufacturing plant for cover-glass integrated touch sensors ✓ Launched film touch sensors (UBT) 	<ul style="list-style-type: none"> □ Promote on-cell touchscreen panel sales □ Expand product lines □ Expand customer base
Others	<ul style="list-style-type: none"> ✓ Decided to expand production capacity for aramid coated Li-ion secondary battery separators to 110 million m²/year 	<ul style="list-style-type: none"> □ Further expand separator production capacity □ Develop and launch new films replacing glass



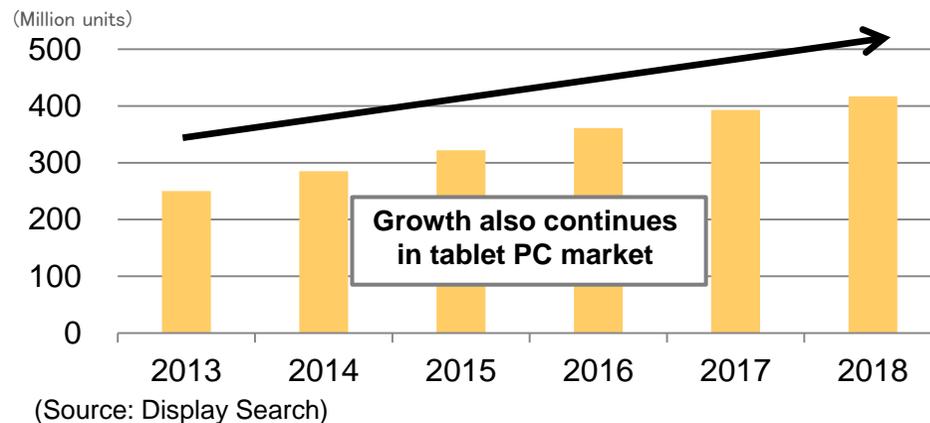
Expanding touchscreen panel product lines



Smartphone Market



Tablet PC Market



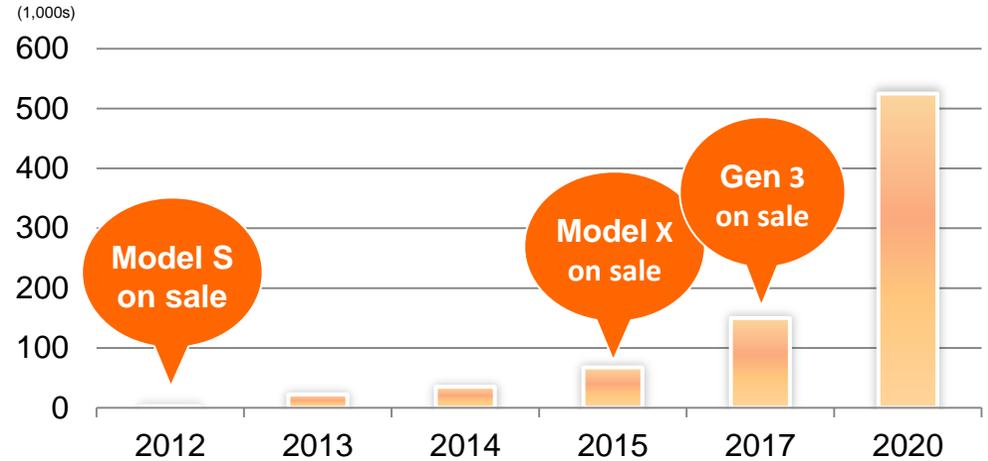
Li-ion secondary battery separator business --current state and outlook

Aramid coated separator demand for use in automobiles is growing

Expanding production capacity of aramid coated separator to 110 million m²/year in 2015

Considering further expansion for Tesla's Gigafactory

Reference: Tesla Motors vehicle production outlook



Reference: Overview of Tesla's Gigafactory plan

Products	LiB cells, LiB packs
Capacity	LiB cells 35 GWh/year LiB packs 50 GWh/year
Investment	US\$4 to 5 billion
Location	Nevada, USA
Schedule	2017 Production start 2020 Full production

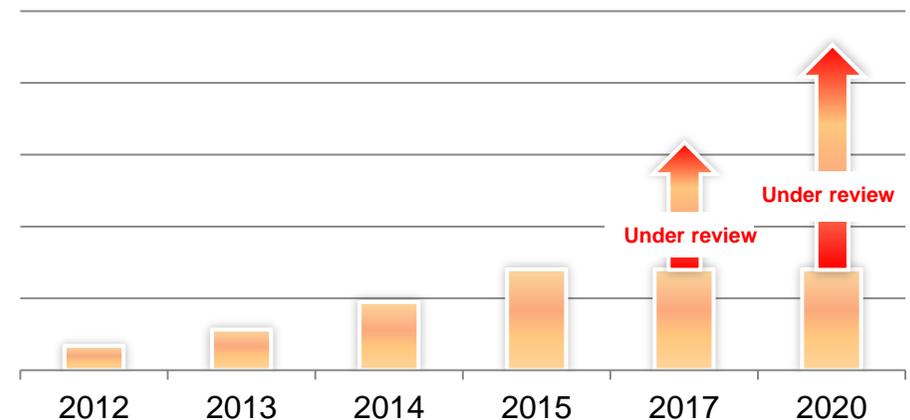


Tesla Motors Model S



Tesla Motors Model X

Our separator production capacity



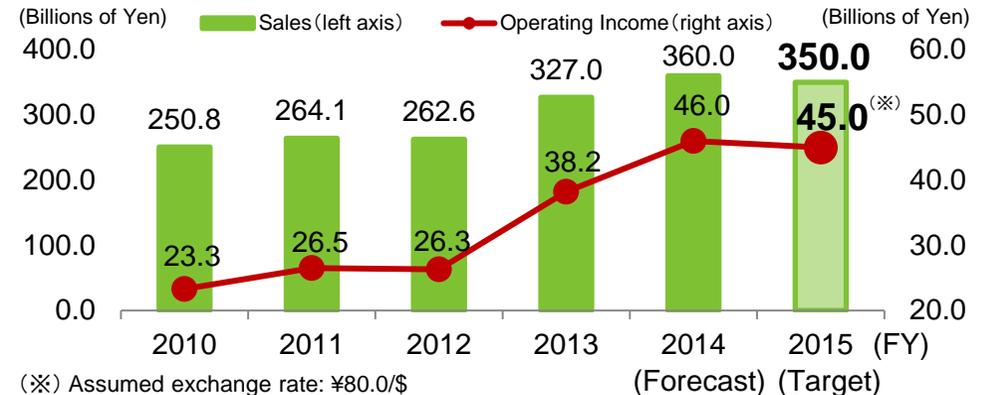
Features and advantages

- Strong R&D capabilities and robust product pipeline
- Product lines differentiated from major competitors
- Products with largest market shares in Japan and large global market shares
- Global sales network

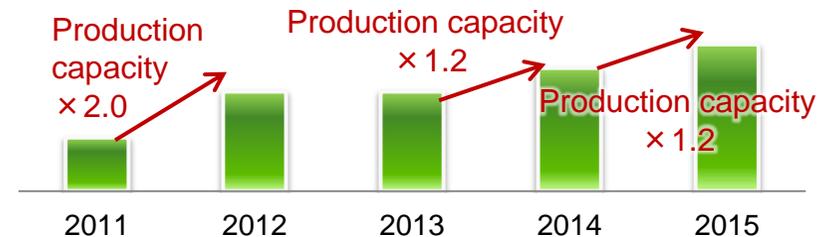
Future growth drivers

- Achieve greater synergy
- Expand into new business areas
- Enhance business in niche areas
- Continuously launch new products

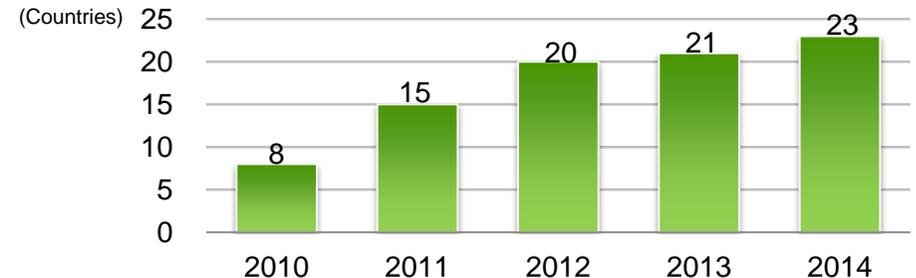
Trends in Sales and Operating Income



Flumioxazin Herbicide Production Capacity



Number of Countries in which Sumitomo Chemical Has Formed Sales Alliance with Nufarm



Business area	Progress	Next steps
<p>Crop protection chemicals</p>	<ul style="list-style-type: none"> ✓ Formed sales alliance with Nufarm for crop protection chemicals for professional turf, ornamental and aquatics uses in the US ✓ Extended the period of the collaboration with Monsanto and expanded the collaboration into Brazil and Argentina ✓ Expanded Flumioxazin herbicide production capacity ✓ Acquired Pace International to enter post-harvest business ✓ Began operation of a new biorational plant ✓ Acquired a rice seed business to enter “total solution provider” rice business 	<ul style="list-style-type: none"> □ Seek to create more synergies from the alliance with Nufarm □ Expand seed treatment business □ Expand post-harvest business □ Expand biorational business □ Respond to changes in the Japanese crop protection chemicals market □ Accelerate the development of new active ingredients
<p>Environmental health</p>	<ul style="list-style-type: none"> ✓ Acquired shares in U.S.-based McLaughlin Gormley King Company to make it a wholly-owned subsidiary ✓ Integrated distribution channels in North America ✓ Expanded businesses of animal health products and pharmaceuticals 	<ul style="list-style-type: none"> □ Expand into new areas
<p>Others</p>		<ul style="list-style-type: none"> □ Commercialize active pharmaceutical ingredients of nucleic acid pharmaceuticals

Business area	Growth drivers
Biorational	
Microbial pesticides	<ul style="list-style-type: none"> • Expansion of applications • Use in resistance management • Growing demand in use for organic crops
Plant growth regulators	<ul style="list-style-type: none"> • Expansion of applications • Use in crop stress management
Post-harvest	<ul style="list-style-type: none"> • Expansion into markets outside the US, e.g., Brazil

• **Biorational and post-harvest sales have the potential to more than double**

• **Develop biorational and post-harvest into core business of Health & Crop Sciences Sector**

Startup of new biorational plant

Location: Iowa, USA

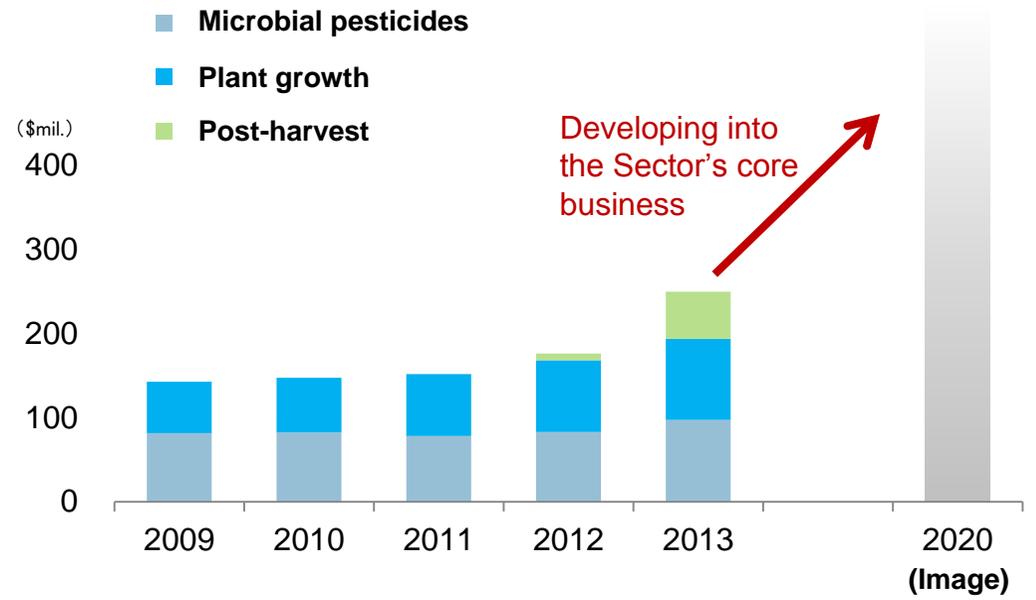
Start of operation: July 2014

Capacity: 15 million gal/year

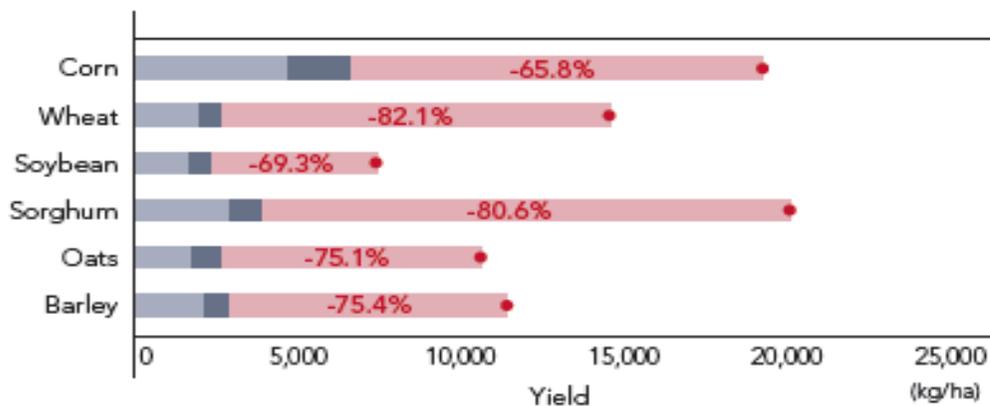
Investment: US\$150 million



Biorational and post-harvest sales trends



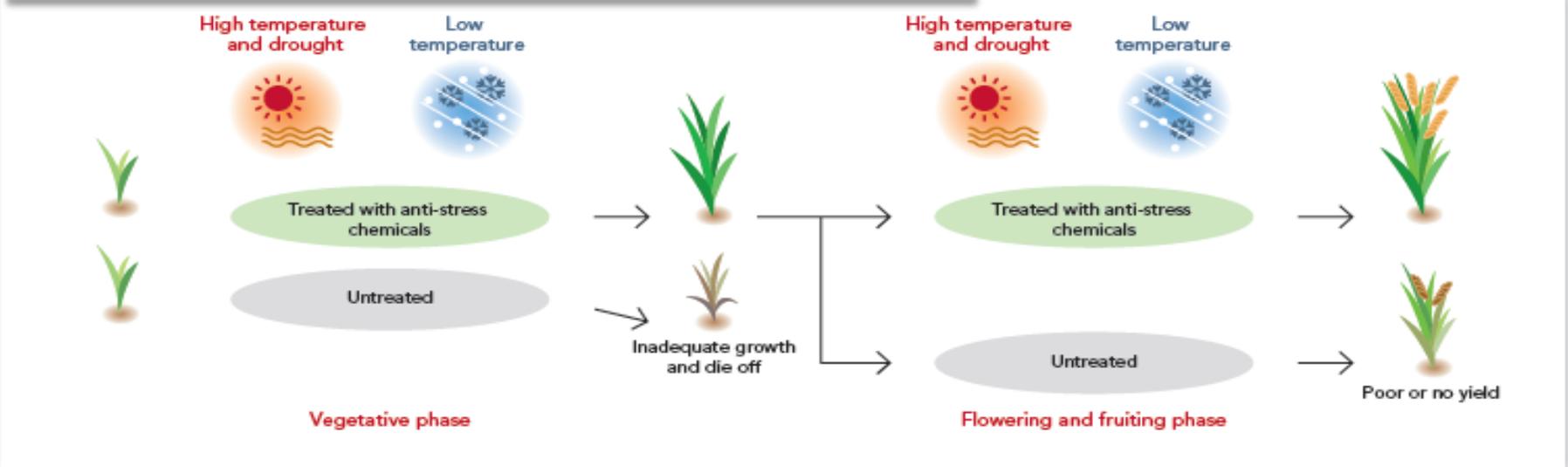
Crop Yield Loss Caused by Abiotic Stress



- Record yield highest yield ever achieved
- Abiotic losses by drought, salinity, flood, chilling or heat stress
- Biotic losses by diseases, insects, weeds despite modern crop protection
- Average yield

Source: Buchanan, Grissem, Jones
 Biochemistry and Molecular Biology of Plants
 American Society of Plant Physiologists, 2000

Crop Stress Management with Chemicals



Total solution provider businesses

- Supply seeds, crop protection chemicals, and fertilizers
- Provide cultivation management support
- Sell rice

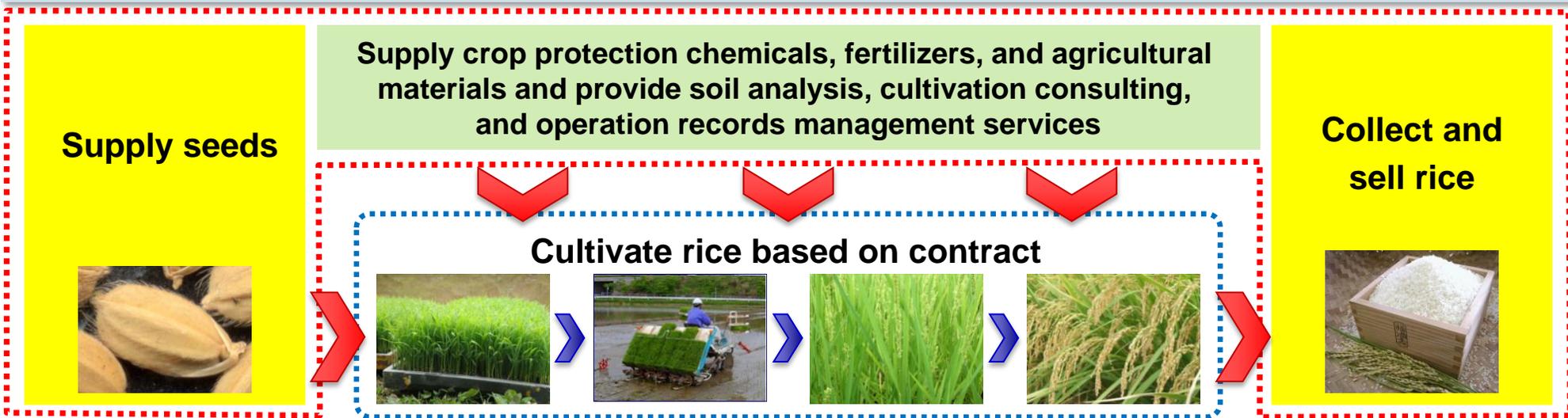
Building rice R&D capabilities

- Acquired rice varieties and related technologies
- Launched a new research team for developing rice varieties
- Strengthening existing cultivation and application

Targets: Cultivation area 10,000 ha
Sales 10 billion yen

Contribute to agriculture through variety development and cultivation technology development

Overview of plans for rice business



Roles of agricultural corporations, etc.

Roles of Sumitomo Chemical Group (including business partners)

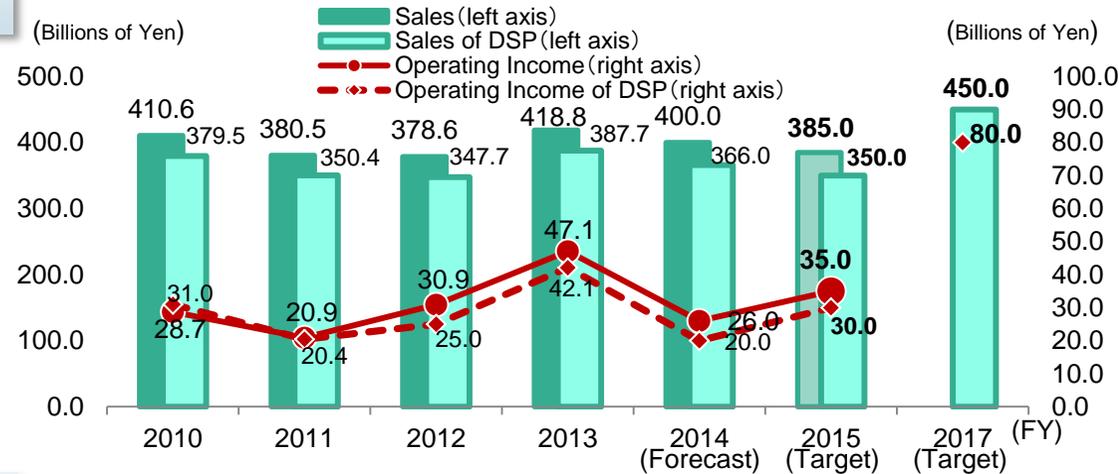
Features and advantages

- Drug discovery platform in the areas of psychiatry & neurology and oncology
- New drug development capabilities and sales network in the U.S.

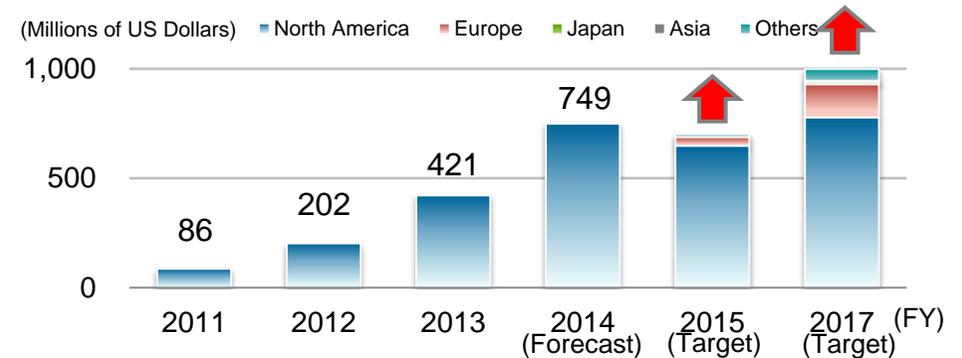
Future growth drivers

- Increase sales of LATUDA by adding new indications and expanding sales territories
- Enhance product pipeline in the areas of psychiatry & neurology and oncology
- Regenerative medicine and drug discovery by using cell technologies

Trends in Sales and Operating Income



Atypical Antipsychotic LATUDA Sales Projections



Note: Data for sales of our business partners in Europe (except U.K.) are our estimates.

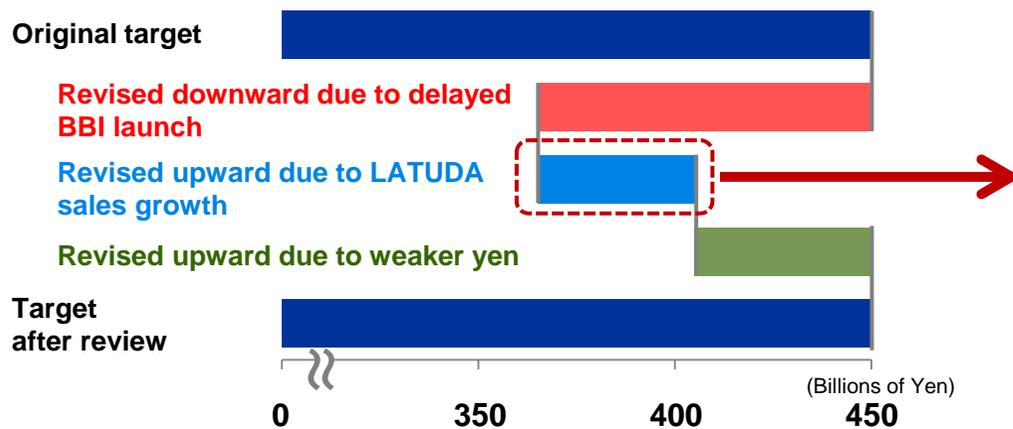
Business area	Progress	Next steps
<p>Prescription pharmaceuticals</p>	<ul style="list-style-type: none"> ✓ Additional indication approved in the U.S. for use of atypical antipsychotic LATUDA in treating bipolar I depression ✓ Atypical antipsychotic LATUDA approved in Europe as a treatment for schizophrenia ✓ APTIOM launched in the U.S. as a treatment for epilepsy ✓ Established drug discovery team and sales force for anticancer drugs ✓ Alliance with Healios in regenerative medicine and cell therapy business ✓ Restructured North American operations 	<ul style="list-style-type: none"> □ Increase LATUDA sales in the U.S. and Europe □ Obtain approval for LATUDA in Japan □ Increase APTIOM sales □ Develop and launch BBI608 and BBI503, anticancer drugs targeting cancer stem cells □ Commercialize cell therapy drug SB623 for stroke recovery □ Commercialize cell therapy drug HLS001 for eye diseases, such as age-related macular degeneration □ Develop first-of-a-kind therapies <ul style="list-style-type: none"> • EPI-743 for mitochondrial diseases • DSP-1747 for non-alcoholic steatohepatitis

Business Targets for FY2017

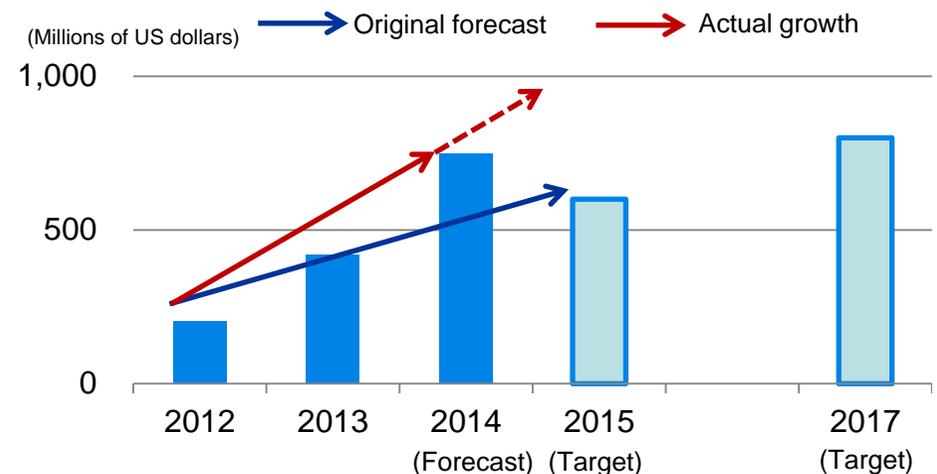
(Billions of Yen)

	Original targets (announced Feb 2013)	Targets after review (announced Oct 2014)	Changes
Sales	450	450	No change
Operating Income	80	80	No change
Exchange Rate	¥80.00/\$	¥100.00/\$	+¥20.00/\$

Sales target for FY2017
(original vs. after review)



LATUDA Sales in North America



Progress as of October 30, 2014

Brand name/ Product code	Generic name	Indication	Development location	Phase I	Phase II	Phase III	Submitted
BBI608	TBD	Colorectal cancer (Monotherapy) (Global clinical trial)	U.S. / Canada / Japan, etc.	Accrual of new patients has been stopped			
		Gastric cancer, Gastro-esophageal junction adenocarcinoma (Combination therapy) (Global clinical trial)	U.S. / Canada / Japan, etc.				
		Colorectal cancer (Combination therapy)	U.S. / Canada				
		Solid tumors (Combination therapy)	U.S. / Canada			※1	
		Gastrointestinal cancer (Combination therapy)	U.S. / Canada				
		Pancreatic cancer (Combination therapy)	U.S.				
		Hepatocellular carcinoma (Combination therapy)	U.S.			※2	
BBI503	TBD	Solid tumors (Monotherapy)	U.S. / Canada			※1	
		Renal cell carcinoma, Urothelial carcinoma, Hepatocellular carcinoma, Cholangiocarcinoma, Gastrointestinal stromal tumor (Monotherapy)	Canada				
		Hepatocellular carcinoma (Combination therapy)	U.S.			※2	

※1 Phase II of Phase I/II study ※2 Phase I of Phase I/II study

Revisions during 2014.2Q are in red.

Development target for BBI608

Gastric cancer, Gastro-esophageal junction
adenocarcinoma (Combination therapy)

File applications in North America & Japan in FY2017

Development target for BBI503

Solid tumors (Monotherapy)

File applications in North America & Japan in FY2017

**Expand
specialty chemicals
business**

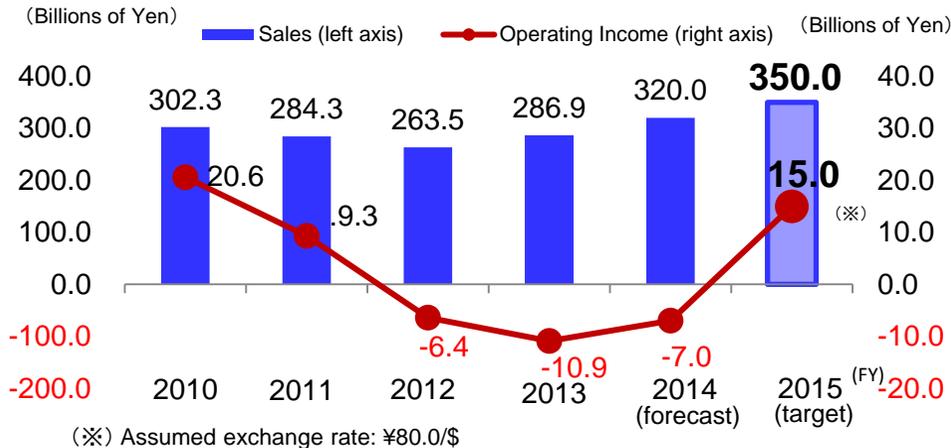


**Restructure
bulk chemicals
business**

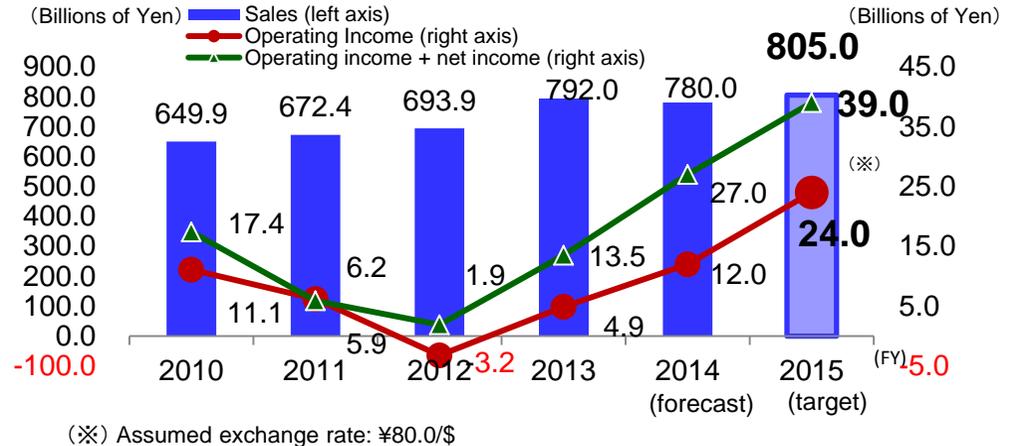


Improve business portfolio

Sales and operating income in Basic Chemicals Sector



Sales and operating income in Petrochemicals & Plastics Sector



Business Restructuring Initiatives

- Rebuild the foundations for underperforming businesses
- Grow next-generation business in the field of inorganic materials

Business Restructuring Initiatives

- Exit unprofitable businesses and reform production operations
- Improve competitiveness by expanding high-value added product business
- Maintain stable operation of Petro Rabigh's plants

Business area	Progress	Next steps
Basic chemicals	<ul style="list-style-type: none"> ✓ Decided to close down liquid-phase process caprolactam plant ✓ Closed down P-MMA plant in Japan ✓ Completed construction of DPF production facilities ✓ Expanded production capacity for high-purity alumina and increased sales 	<ul style="list-style-type: none"> □ Improve competitiveness of caprolactam business □ Improve competitiveness of MMA business □ Increase sales of DPF and develop next-generation DPF
Petrochemicals	<ul style="list-style-type: none"> ✓ Decided to close down ethylene plant at Chiba ✓ Decided to close down PO/SM plant ✓ Expanded S-SBR production capacity 	<ul style="list-style-type: none"> □ Restructure Chiba Works □ Develop and expand sales of high value-added, differentiated products
Petro Rabigh	<ul style="list-style-type: none"> ✓ Strengthened support from founding shareholders ✓ Amended the terms of transactions with founding shareholders ✓ Secured compensation from utilities supplier 	<ul style="list-style-type: none"> □ Maintain high-rate, stable operation of Rabigh Phase I Project facilities □ Execute Rabigh Phase II Project

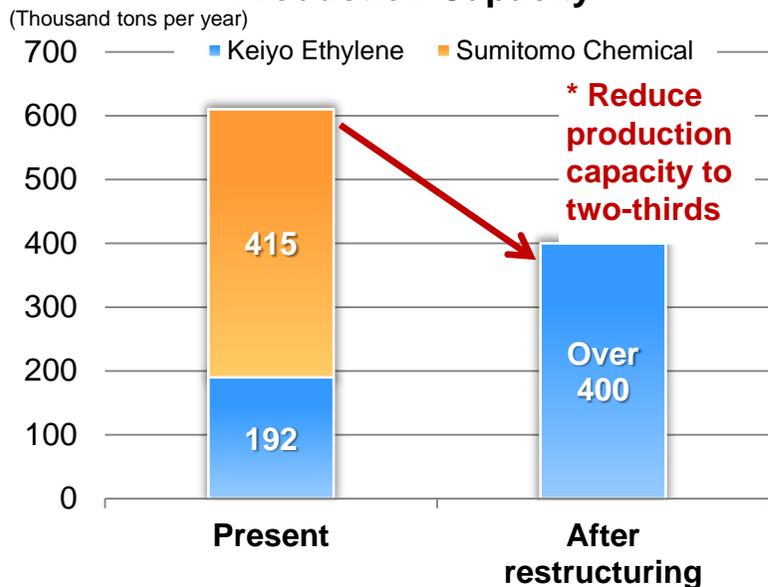
**Business environment:
Declining domestic demand and increasing imports**



Optimize production capabilities (May 2015)
➤ Strengthen and maintain petrochemicals business in Japan

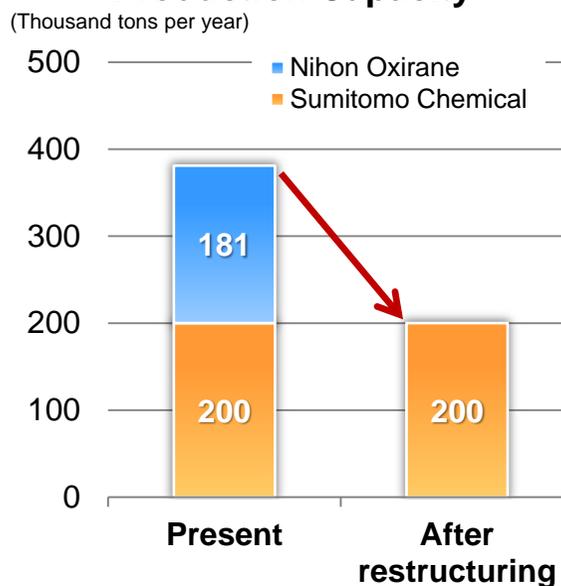
Shut down ethylene plant

Ethylene Production Capacity

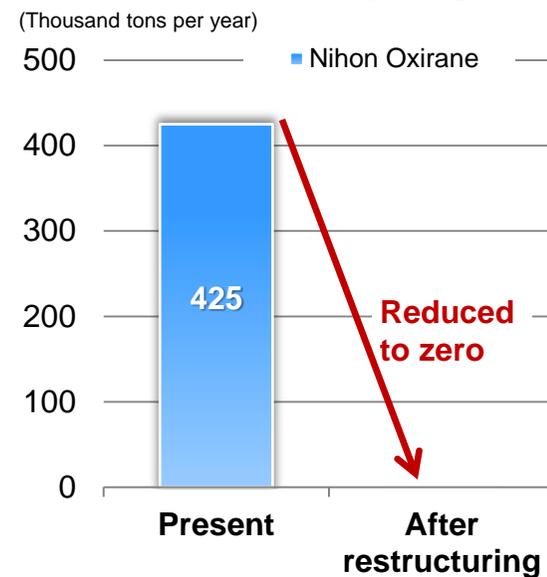


Cease operation of Nihon Oxirane

Propylene Oxide Production Capacity



Styrene Monomer Production Capacity



Restructure Caprolactam Business

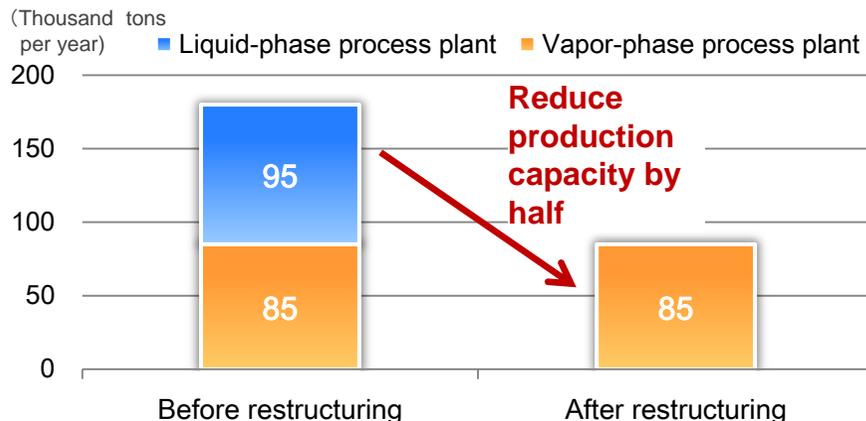
Business environment

Deterioration in supply-demand balance due to a sharp increase in supply in China

Shut down liquid-phase process plant

- Close down by the end of 2015 liquid-phase process plant, which has been in operation for over 39 years
- Improve vapor-phase process technology
- Keep the optimal size of caprolactam business and maintain the supply to key customers by using the capacity of the vapor-phase process plant and procuring caprolactam from a third party as needed

Caprolactam Production Capacity



Note: The liquid-phase process plant began operation in 1965, and the gas-phase process plant in 2003

Restore competitiveness of MMA business

Business environment

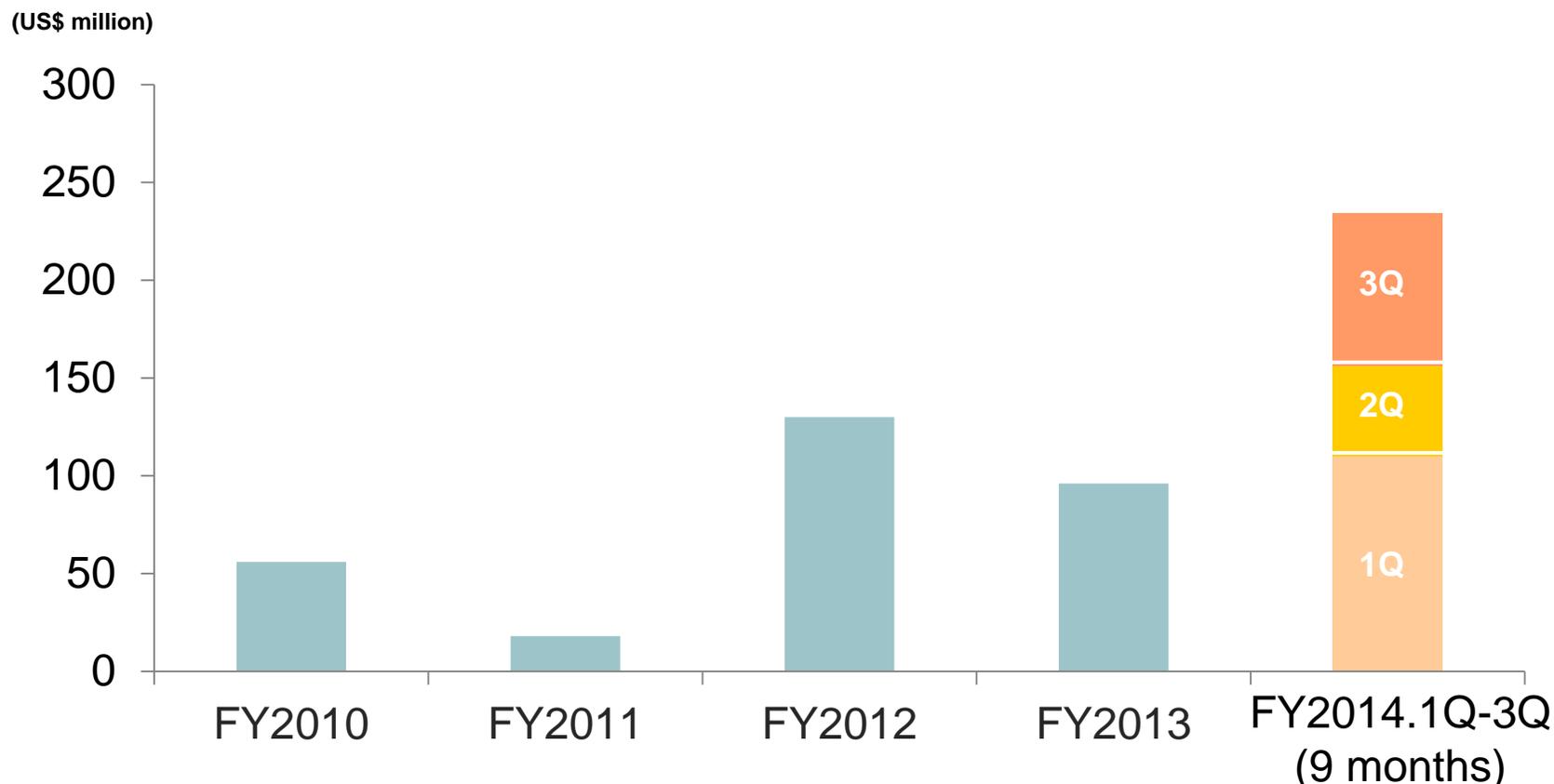
A sharp decline in demand for MMA used in light guide plates

Launched initiatives to restore competitiveness

- Closed down MMA polymer production facilities in Ehime, Japan, in December 2013
- Shifted major part of MMA operations to Singapore

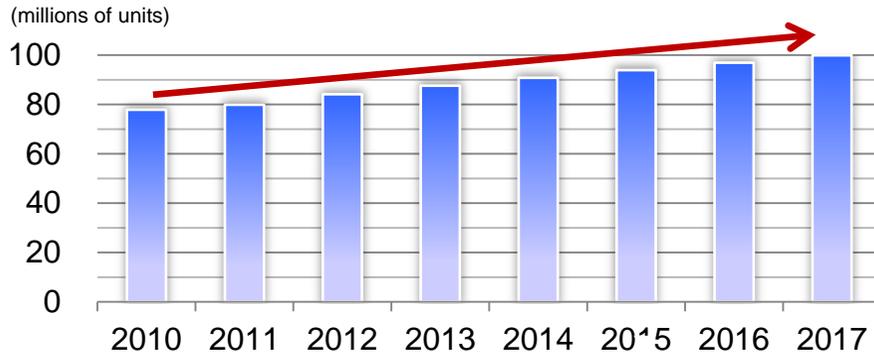
Initiatives to restore competitiveness

Short term	Mid to long term
<ul style="list-style-type: none"> • Rationalization • Price increases • Development of new applications and sales expansion • Development of high-performance catalysts 	<ul style="list-style-type: none"> • Rabigh Phase II Project • In-house production of raw materials



**Outlook for Petro Rabigh's FY2014 earnings:
record-high resulting from stable high operating rate**

Global Vehicle Production



(Source: Fuji Chimera Research Institute, Inc.)

Global Automotive Plastics Market

Market size
(2012)

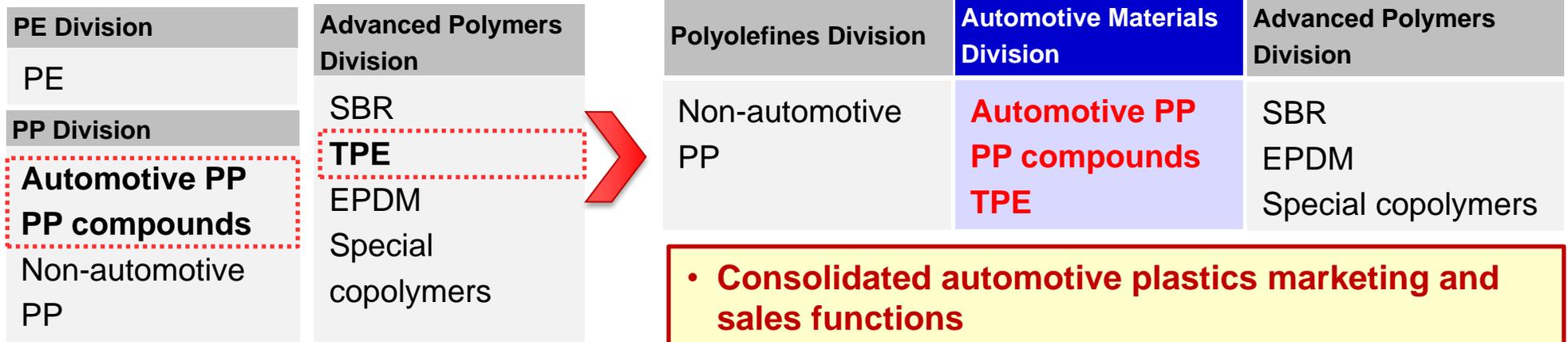
13 million
tons/year

Growth rate
(2012-2016)

5% per year

(Source: Fuji Chimera Research Institute, Inc.)

Reorganization: Established new Automotive Materials Division



- Consolidated automotive plastics marketing and sales functions
- Strengthened planning and management of global business operations

Properties required for TPE used for airbag covers

Common property requirements

- Airbag inflation performance
- Ease of forming and processing
- Light resistance



Key property requirements for different types of airbags

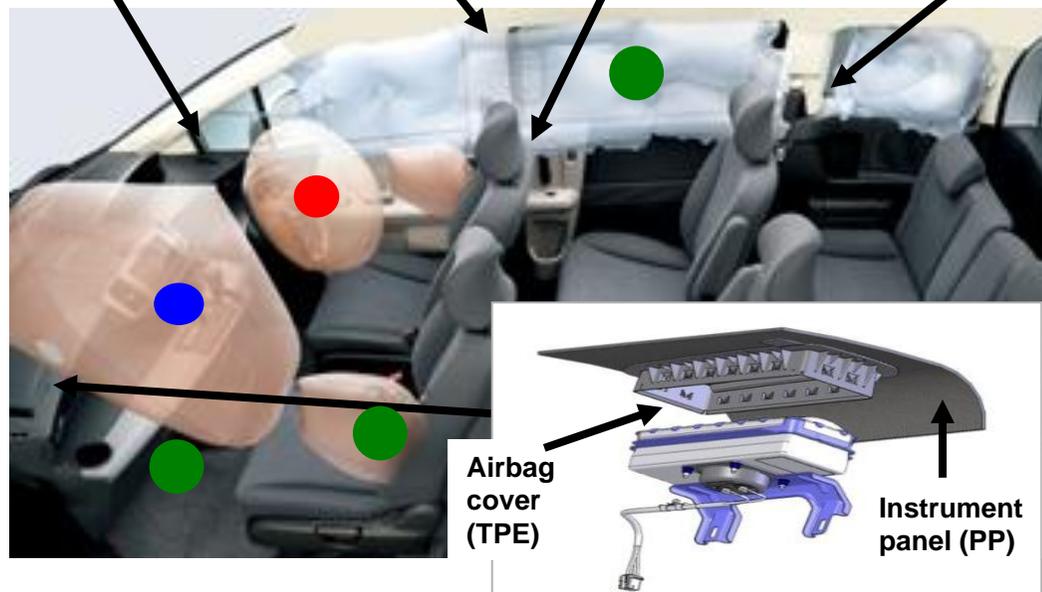
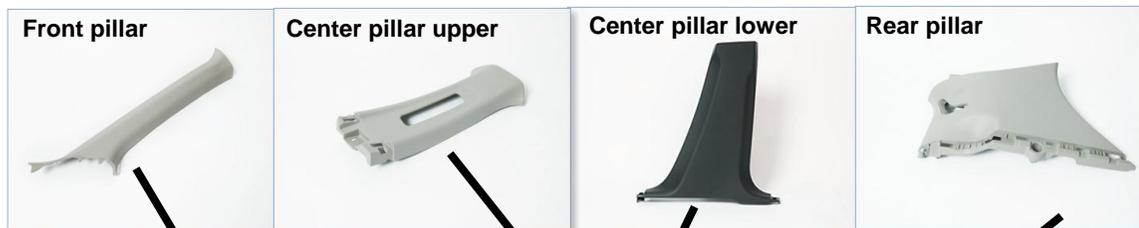
Driver's seat airbag	Front passenger seat airbag	Curtain airbag
• Appearance	• Weld strength	• Rigidity • Cost

Strengths in TPE business

Producing raw materials (PP and EPDM) in-house



Swiftly develop and supply TPE with specific properties that customers demand



- :Airbag for driver's seat
- :Airbag for front passenger seat
- :Curtain airbags, etc.

Expand sales of plastics for airbag-related parts by leveraging the strengths in TPE business

Features of Sumitomo Chemical's high-purity alumina

- Low impurities
- Particle size and shape tailored to customer needs

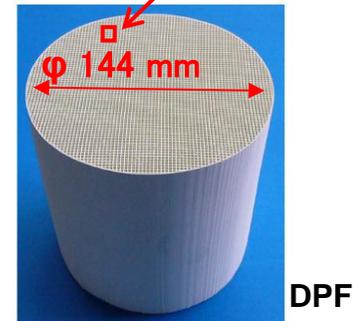
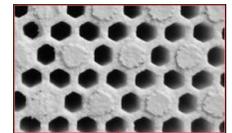
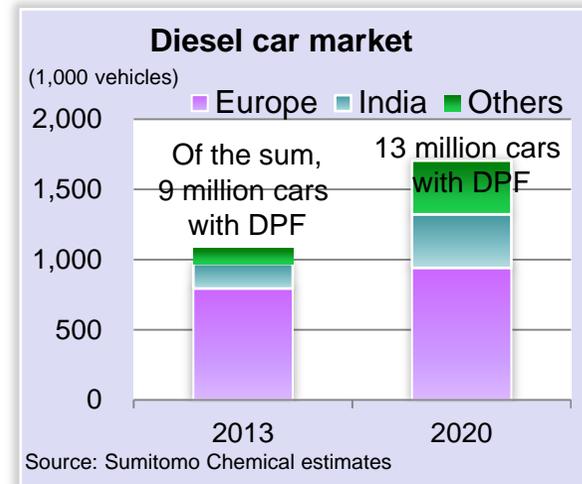
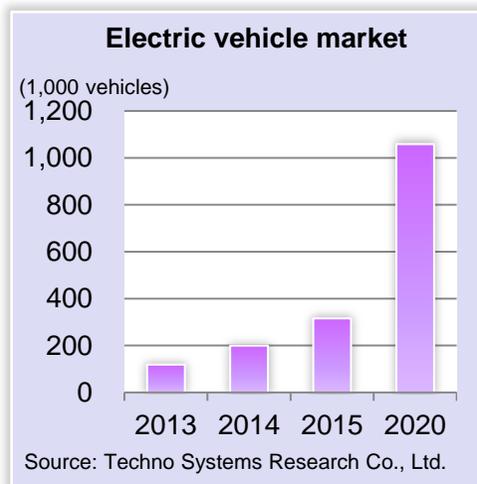
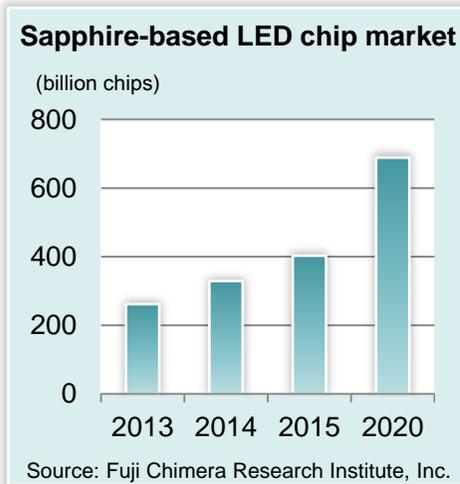
Features of Sumitomo Chemical's DPF

- Small and lightweight
- Low pressure loss (improvement of fuel efficiency)
- Low cost

Further expand its market share, currently the largest in the global market

Planning to begin commercial-scale production in 2015

Examples of end-uses of high-purity alumina

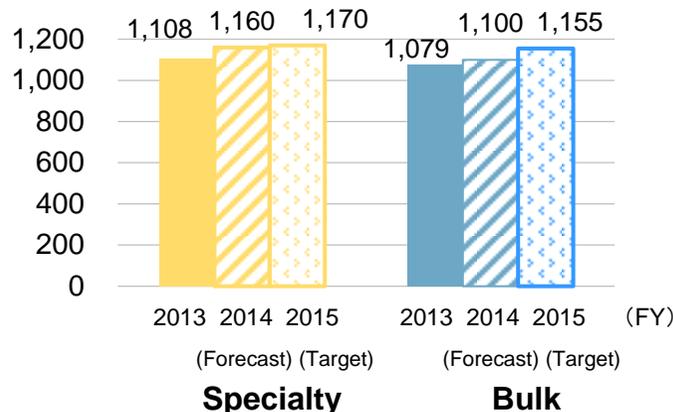


Developing inorganic materials business into a core business in the future

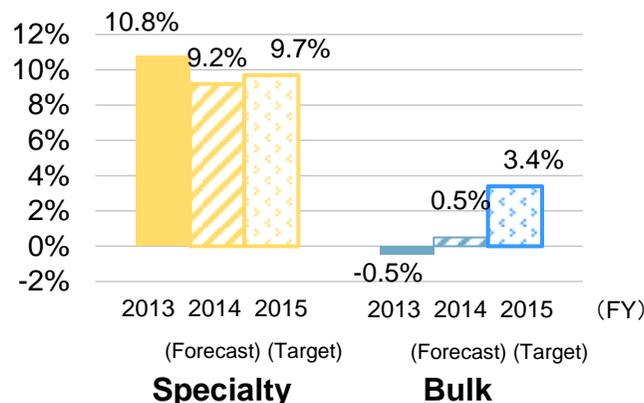
Become a More Resilient Sumitomo Chemical through Business Restructuring

Sales

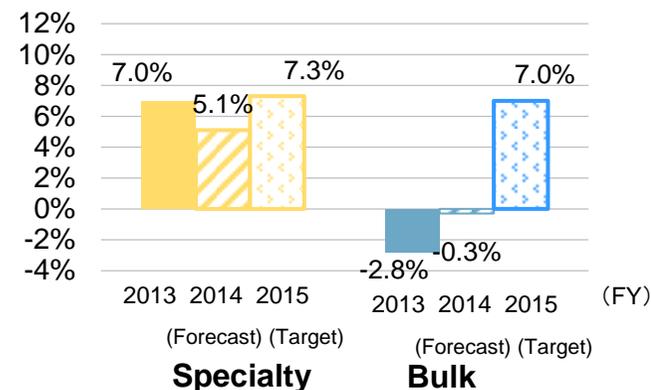
(Billions of Yen)



Operating Margin



Return on Investment



- Expand specialty businesses
- Restructure underperforming businesses
- Quickly maximize returns on major investments

Improve
business portfolio

Establish robust
business
foundations

Enhance Financial Strength



Cash Flow Projections

(billions of yen)

	Corporate Business Plan FY2010-FY2012 (Result)	New Corporate Business Plan		
		FY2013-FY2015 (Target)	FY2013 (Result)	FY2014 (Forecast)
Cash flows from operating activities	472.3	540.0	194.4	235.0
Cash flows from investing activities	- 445.7	Below - 400.0	- 135.2	-95.0
Free cash flows	26.6	*1 Over 200.0	59.2	140.0

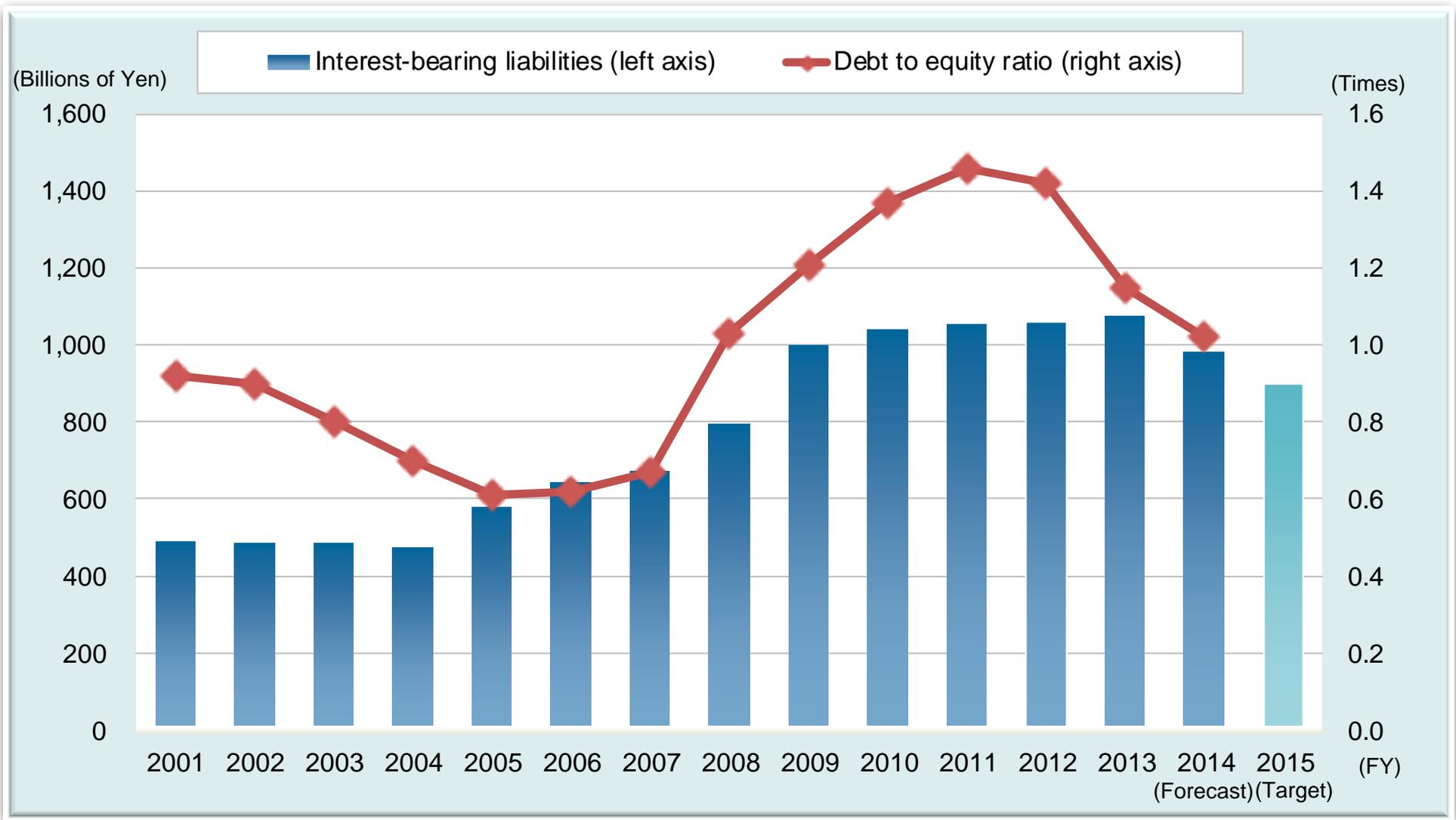
Note *1: Includes decreases in cash and cash equivalents

(billions of yen)

	End of FY2012 (Result)	End of FY2015 (Target)	New Corporate Business Plan	
			End of FY2013 (Result)	End of FY2014 (Forecast)
Interest-bearing liabilities	1,060.6	900.0	1,074.6	980.0

Note : Rabigh Phase II advance payments: 24 bn yen at the end of FY2012, 75 bn yen at the end of FY2013

Interest-Bearing Liabilities and D/E Ratio



Develop Next-Generation Businesses

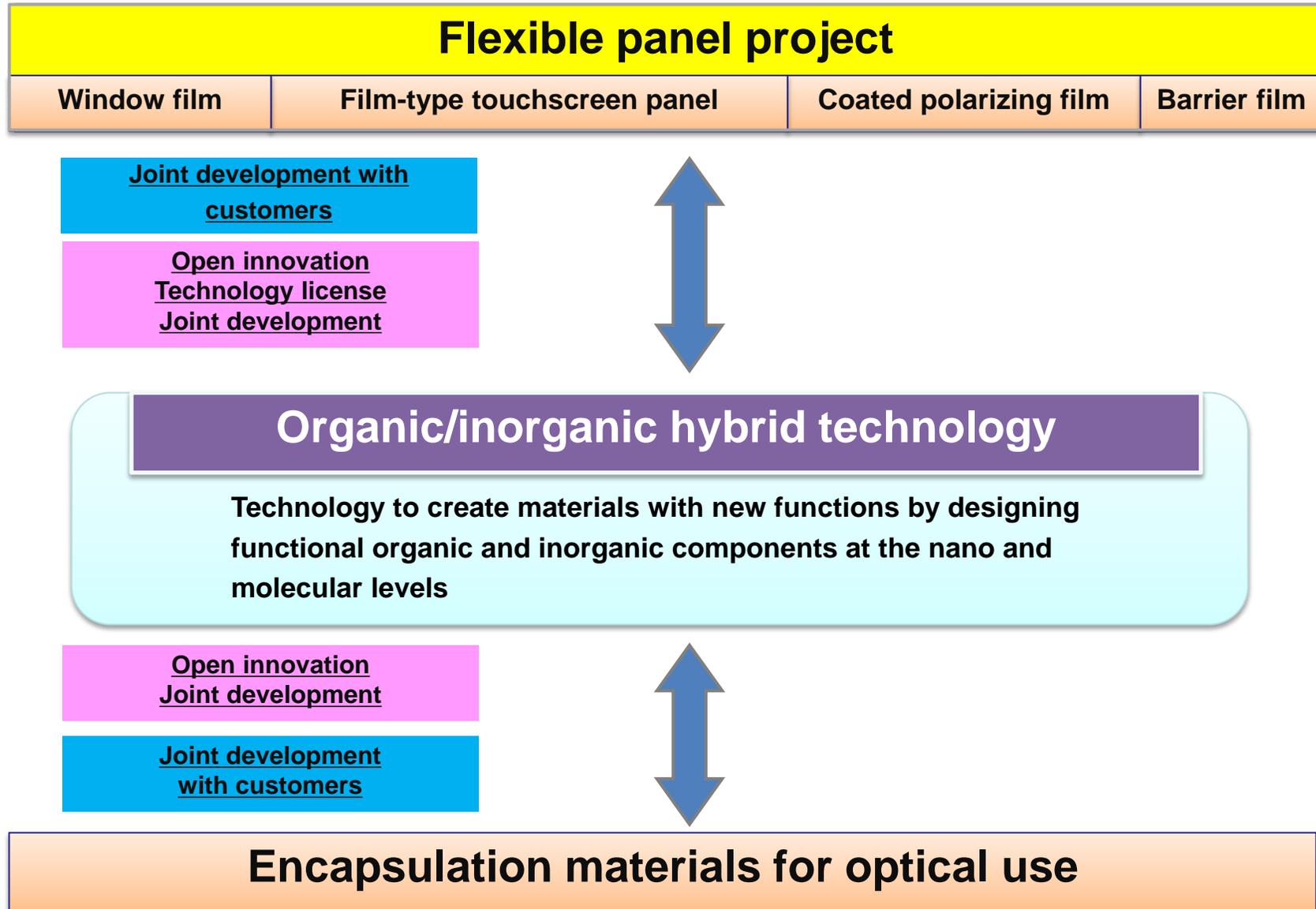


Develop Next-Generation Businesses

Launch	2011	2015	2020-
Environment and Energy	<ul style="list-style-type: none"> ✓ Silicon solar cells (HEVA, electrode paste, etc.) ✓ Lithium-ion secondary batteries (separators) ✓ LED lighting applications (sapphire substrates and alumina, etc.) 	<ul style="list-style-type: none"> ✓ PLED lighting Power semiconductors (epitaxial wafers) ✓ High heat-resistant and high thermal-conductive resin ✓ Diesel particulate filters CO₂ separation 	<ul style="list-style-type: none"> Organic thin-film photovoltaics Next-generation secondary batteries
ICT		<ul style="list-style-type: none"> ✓ Next-generation polarizing films ✓ Encapsulation materials for optical use ✓ Flexible display materials and components 	<ul style="list-style-type: none"> PLED (light emitting materials) Organic semiconductors
Life Sciences	<ul style="list-style-type: none"> ✓ Drug for schizophrenia (LATUDA) 	<ul style="list-style-type: none"> ✓ Safety evaluation and drug discovery using ES and iPS cells 	<ul style="list-style-type: none"> Anticancer drugs targeting cancer stem cells Cell therapy Crop stress management Regenerative medicine

✓ Commercialized/ready to be commercialized

Build New Businesses on Core Technologies



Creating Next-Generation Displays

Sumitomo Chemical's Strengths

Outstanding material development capabilities as a diversified chemical company



Strong product development capabilities and advanced processing technologies developed in the display materials business

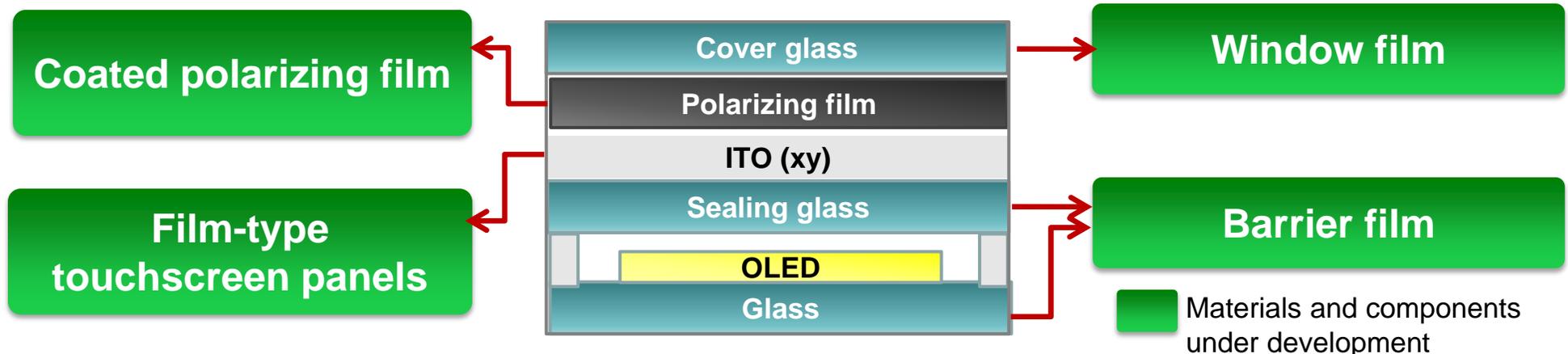
Replace glass with plastics



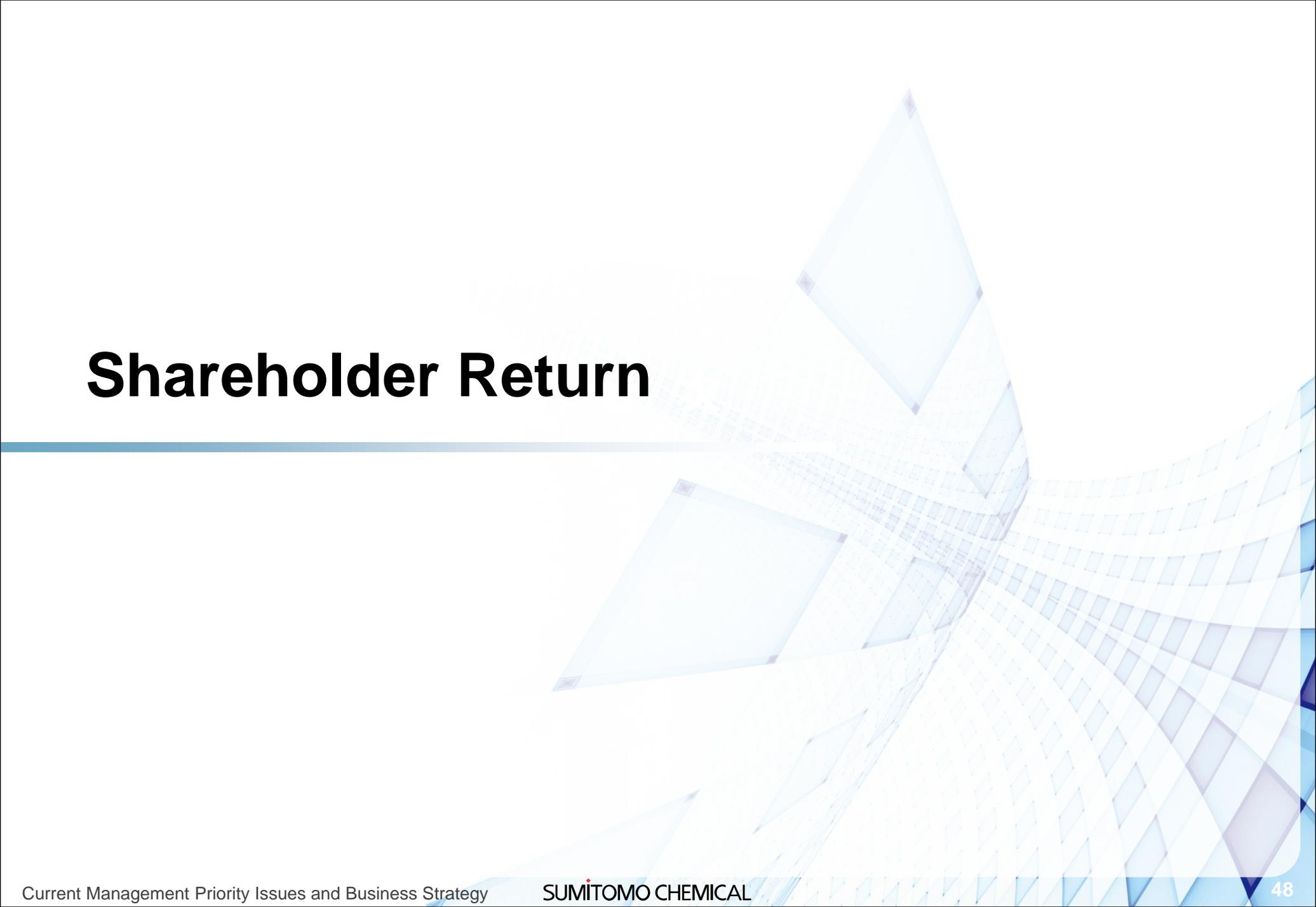
Significantly reduce display's thickness and weight, while also improving durability

Materials and components under development

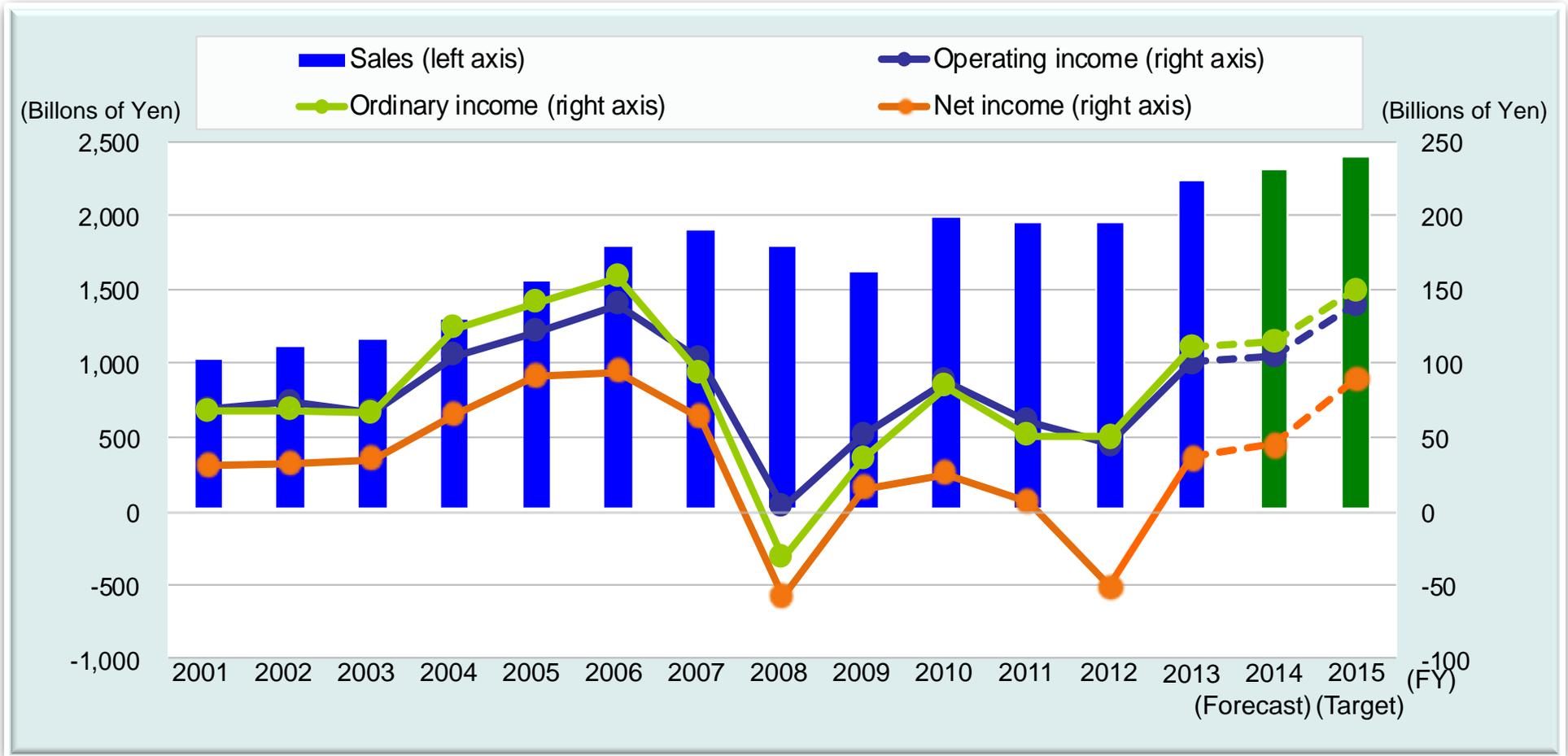
Current structure of organic LED



Shareholder Return

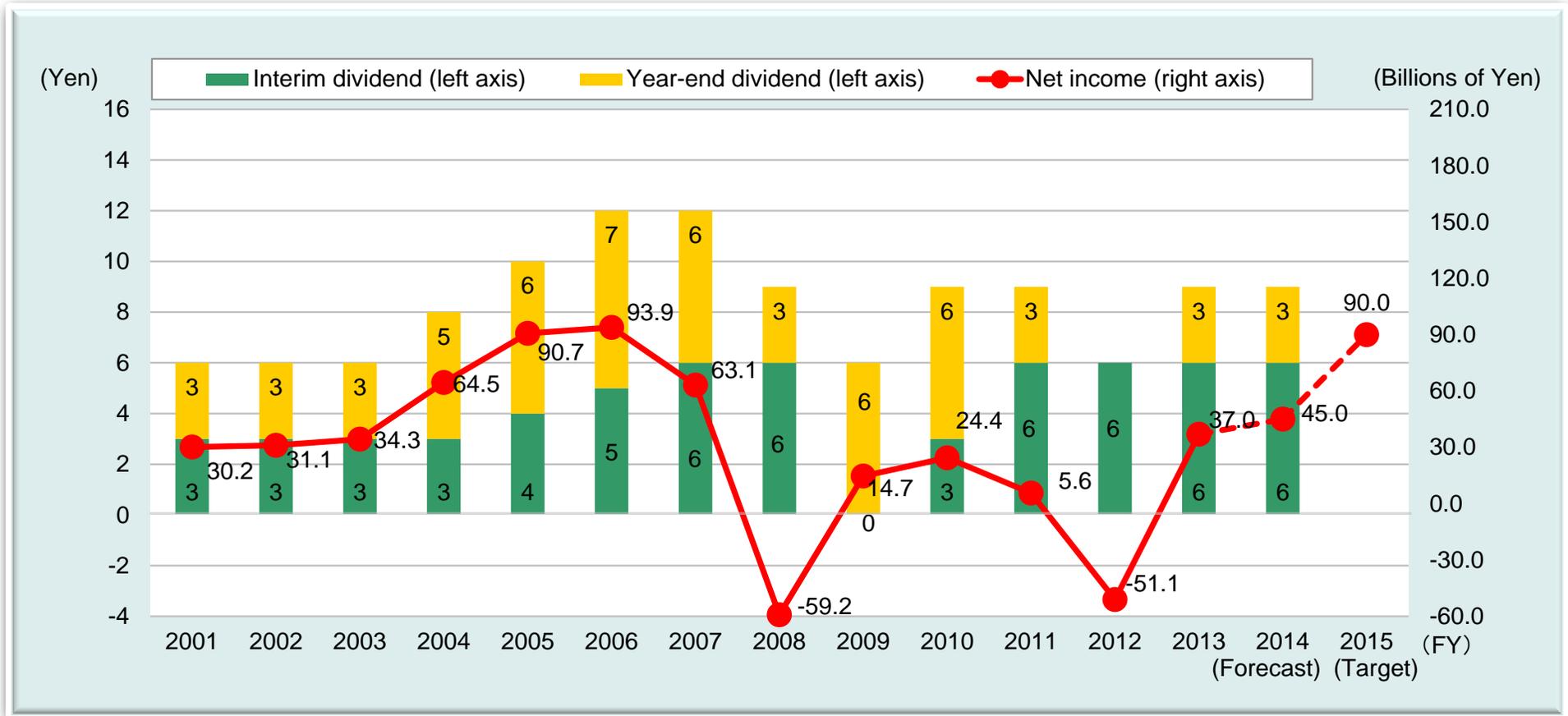


Performance Targets



Dividend Policy

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payment, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors.

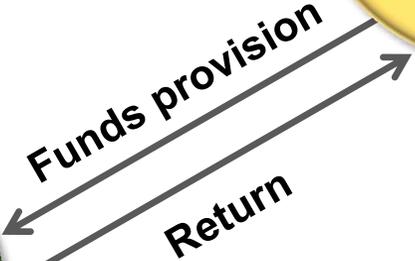
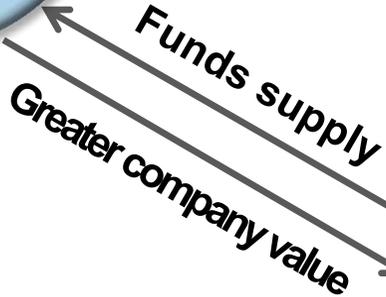


Toward Sustained Growth

Corporate Business Plan
Resolve priority issues

Stewardship Code

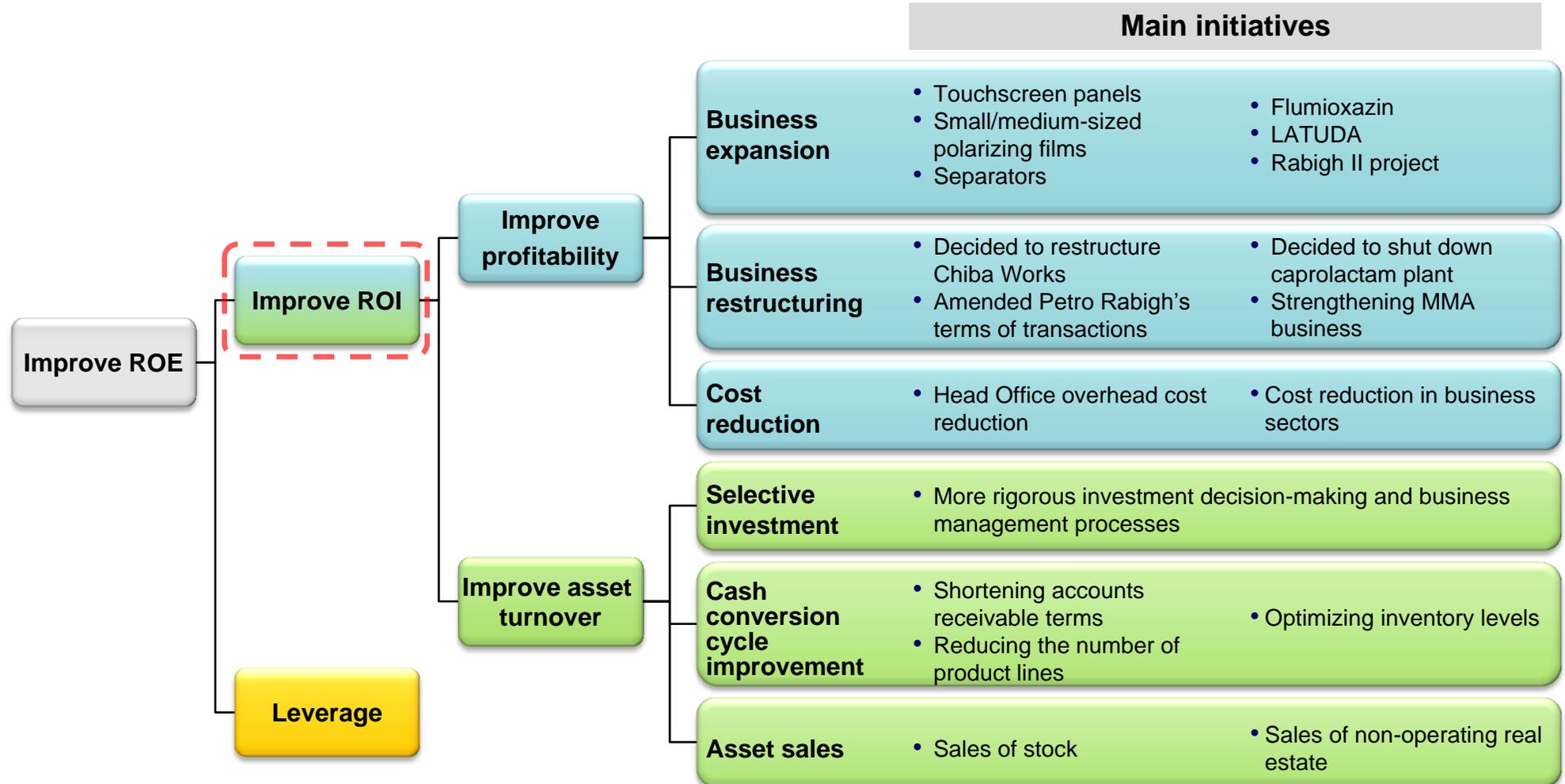
Dialogue and disclosure



Sumitomo Chemical's initiatives

Sustained growth **Contribute to the economy and society at large**

Initiatives for raising ROI/ROE



Creative Hybrid Chemistry



Cautionary Statement

Statements made in this document with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties.

The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.