

Sumitomo Chemical Unveils New Three-Year Corporate Business Plan *Roadmap to Becoming a Truly Global Chemical Company*

Tokyo: March 1, 2004 --- Sumitomo Chemical Company, Limited announced today a Three-Year Corporate Business Plan covering fiscal years from 2004 to 2006. The Plan sets forth a series of major milestones for the company, as it moves along its vision for the 21st century, toward a truly global chemical company as a major player in every area of its business operations.

The gist of the company's vision of the company for the 21st century is as follows:

- A company that operates with competitive strength in global markets
- A company that continues to grow, on the strength of accumulated technologies, with a focus on high added value and high profitability
- A company that operates in accordance with global standards, places importance on shareholder value, and is sensitive to aspirations of its employees for fulfillment of their lives

Prior to preparing the new Plan, Sumitomo Chemical set up a target business portfolio with a view to realizing it within upcoming ten years. In the process of preparatory work, the company set a target of generating consolidated net income of at least 100 billion yen by 2010. The new Three-Year Plan represents the first step toward achieving this goal, and we will aggressively pursue the following initiatives:

- 1) Moving quickly to achieve higher profitability
 - Vigorously focusing on core competencies through "Selection and Concentration"
By concentrating investment on life sciences, particularly pharmaceuticals, and IT-related chemicals, the company will lay the groundwork for achieving its objectives.
 - Shifting to higher value-added products
The company will improve profitability by emphasizing higher value-added products such as polyolefins, enhancing its downstream capabilities in the agricultural chemicals and IT-related chemicals fields, and strengthening its solutions business activities.
 - Extending its global reach
The company will reinforce its overseas operational bases and accelerate its business expansions, with particular emphasis on the fast growing Asian markets.
- 2) Solidifying its financial base
The company will strive to build a basis for high profitability, while at the same time maintaining its sound financial base
- 3) Carrying out full-scale reform of its business operations
- 4) Enhancing global management on a consolidated basis
- 5) Promoting corporate social responsibility initiatives

Performance Targets

	FY2003 (Projections)	FY2006 Targets		(Billion Yen) 2010 (Long-Term Targets)
Consolidated Sales	1,160	1,330		-
Consolidated Operating Income	68	120		-
Consolidated Net Income	33	65	→	100
Shareholders' Equity Ratio	32%	35%		Approx. 40%
Debt/Equity Ratio	1.1	1.0		0.8

In fiscal 2006, the final year of the new Three-Year Corporate Business Plan, the company is targeting consolidated sales of 1.33 trillion yen, consolidated operating income of 120 billion yen and consolidated net income of 65 billion yen.

The company has set the goals of achieving a shareholders' equity ratio of 35% and the debt-equity ratio of less than 1.0.

Sumitomo Chemical is confident that, by rapidly and steadily implementing the new Three-Year Corporate Business Plan, it will be able to achieve stable, high-earnings growth and maximize corporate value. Moreover, by fulfilling the goals set forth in the new Plan, Sumitomo Chemical Group will make steady progress toward becoming a truly global chemical company.