

## Sumitomo Chemical Divests its Textile Finishing Resins Business

Tokyo: July 14, 2004 --- Sumitomo Chemical Company, Ltd. today announced that it will transfer its domestic textile finishing resins business to Dainippon Ink and Chemicals, Incorporated, effective October 1 of this year.

Sumitomo's textile finishing resins business includes such products as melamine resins and glyoxal resins as well as their respective hardening agents (catalysts), which have been widely used for retaining shape of textiles, stiffening padding, and other usages. Japan's textile industry has been rapidly contracting, and in the face of declining demand, Sumitomo decided to divest itself of this business as part of its overall restructuring program.

Sumitomo is enhancing its efforts to promote "Selection and Concentration," by allocating corporate resources those businesses that have competitive advantage in their respective fields. In line with this strategy, the Company's Fine Chemicals Sector concentrates more of the Sector's management resources on the business of "synthetic specialty chemicals based on fine chemical synthesis technology", which the Sector positions as its main business domain.

In markets outside of Japan -- particularly in East Asia, where considerable growth in demand is expected -- Sumitomo will expand its product line of textile finishing resins and continue to reinforce its marketing efforts through its 55%-owned subsidiary in Thailand, Bara Chemical Co., Ltd, which serves as its manufacturing, sales and technical services base for the region.