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Sumitomo Chemical Expands Anti-Malaria Olyset® Net production in Tanzania

Sumitomo Chemical is strengthening efforts to expand production of its proprietary insecticide-embedded Olyset® Net mosquito nets for the control of malaria-carrying mosquitoes, thereby preventing the epidemic infection in Africa and elsewhere in the world. In Tanzania, the Company has provided the Olyset technology free of charge to a local mosquito net manufacturer, who is operating its Olyset® Net production plant successfully. Sumitomo Chemical is working with this company to expand production at this plant, and is also setting up a joint venture with another local company to manufacture the Olyset® Net. Once all of these capacity expansions are completed, Tanzania's annual production capacity of the net will increase from 2 million to 8 million nets by the end of fiscal 2005. These production expansions, which involve a large number of additional operators and other personnel, are expected to create many new jobs in Tanzania and contribute to ultimately vitalizing the region's economy.

At present, approximately 3 hundred million people contract malaria and over a million people die from it each year. The vast majority of these cases occur in Africa, with one person on the continent dying every 30 seconds from the disease. Tragically, a disproportionately large number of these victims are children. In order to improve this tragic situation as quickly as possible, the World Health Organization (WHO) has spearheaded the Roll Back Malaria campaign with the goal of reducing by 50% the current number of fatalities from malaria by 2010.

Sumitomo Chemical has been actively collaborating in this campaign by providing its Olyset® Net mosquito nets and netting technology. As the campaign gains ground, the number of long-lasting insecticide-embedded mosquito nets needed has increased at a rapid pace, prompting Sumitomo Chemical to undertake the present capacity expansion in Tanzania. The Company will increase annual worldwide production capacity of Olyset® Net mosquito nets, including this latest production increase, from a current 7 million to 20 million nets by the end of fiscal 2005. Because the number of mosquito nets needed is forecast to increase even more in the future, Sumitomo Chemical is carrying out studies for further production increases.

Outline of the joint venture company in Tanzania:

- Company Name: Vector Health International Limited
- Shareholding: Sumitomo Chemical 50%, Net Health Limited 50%
- Location: Arusha, United Republic of Tanzania
- Main business: Production of Olyset® Net mosquito nets
- Production capacity: 4.2 million nets/yr.
- Incorporation: September, 2005
- Plant start-up: By the end of fiscal 2005