

July 4, 2008

Sumitomo Chemical to Increase Price of Resorcinol

Sumitomo Chemical has announced that it intends to increase the price of resorcinol as detailed below, and the Company is commencing negotiations with customers.

Product	Price Increase	Effective as of
Resorcinol	\$0.65/kg	July 7, 2008

On May 23, 2008, the Company announced a price increase of \$0.60/kg due to go into effect as of June 1, 2008, given the recent cost hikes for resorcinol raw materials, including benzene and propylene, resulting from the rising price of naphtha. In fact, the raw materials costs have continued to rise beyond expectations, and future trends remain uncertain.

Meanwhile, worldwide demand for resorcinol continues to increase, especially for such applications as adhesives for rubber. For the Company to ensure a continued stable supply of resorcinol to its customers, it has determined it necessary to request a further price increase for the product.

With respect to those resorcinol customers to whom the price revision of June 1, 2008 has not yet been applied, the Company will request a total price increase of \$1.25/kg, which includes the previously proposed increase of \$0.60/kg.