

December 2009

Sumitomo Chemical Announces Establishment of Dalian Sumika Jingang Chemicals Co. Ltd.

~A company for the manufacture and sale in China of feed additives and high-performance greenhouse films~

Sumitomo Chemical has announced the establishment of a Chinese joint venture with Dalian Jingang Group Co., Ltd. for the manufacture and sale of Methionine (a nutritive feed additive) and high-performance greenhouse films. The new company, Dalian Sumika Jingang Chemicals Co. Ltd., will be located in Dalian, Liaoning Province, China and will construct new facilities for the production of these two products.

Sumitomo Chemical positions its Methionine business as one of its core businesses in the area of life sciences. The Company has been steadily increasing its production capacity for Methionine at its Ehime Works, and has established a position as a top supplier in Asia. As the world's population increases, and people in developing and emerging countries adopt more meat-intensive diets, and as people become increasingly health-conscious, they tend to eat more poultry, driving demand for it. In addition, there are growing public concerns about medium to long-term shortages of livestock feeds or price hikes and also proper management of environmental pollution from nitrogen compounds in livestock excrement. For these and other reasons, demand for Methionine has been increasing in recent years. In order to meet the rapidly increasing demand worldwide, particularly in China, Sumitomo Chemical will construct a new facility in China with a production capacity of 20 thousand tons per year. The Company plans to expand this facility into a large-scale manufacturing plant over the long term.

Sumitomo Chemical Group has long been engaged in its high-performance greenhouse films business, mainly in the Japanese market, capitalizing on its unique resin and film processing technology. Because the marked economic development and population increase in China are expected to spur further growth in the market for greenhouse films, the Company decided to undertake this new joint venture in China for the local production of high-performance greenhouse films as well as methionine.

In China, where satisfying the demand for food will continue to be a major issue, Sumitomo Chemical will work to meet this demand by expanding and strengthening its businesses in Methionine and high-performance greenhouse films and others in which high market growth is expected.

[Reference]

Overview of Dalian Sumika Jingang Chemicals Co., Ltd.

Company Name: Dalian Sumika Jingang Chemicals Co., Ltd.

Location: Dalian Economic and Technological Development Zone, Liaoning Province, China

Paid-in Capital: CNY515 million

Established: October, 2009

President: Kenjiro Fukubayashi (Director and Senior Managing Executive Officer, Sumitomo Chemical)

Ownership: Sumitomo Chemical Co., Ltd.: 80%; Dalian Jingang Group Co., Ltd.: 20%

Business: Manufacture and sale of Methionine Hydroxy Analog and high-performance greenhouse films

Production Capacity: 20,000 tons/yr. of Methionine Hydroxy Analog; 4,000 tons/yr. of high-performance greenhouse films