

Sumitomo Chemical Unveils New Corporate Business Plan (FY 2010-2012)

Sumitomo Chemical Company, Limited today announced its new Corporate Business Plan spanning the three years from fiscal 2010 to 2012. In formulating this new Corporate Business Plan, the Company first conceived its Corporate Vision based on analysis of the long-range prospects for the global economy and business environment in conjunction with its portfolio of businesses. The new Corporate Business Plan is positioned as the first step toward achieving the Company's Corporate Vision, and under the new Plan the Company will strive to quickly realize profits and cash flows from the major investments made under its current Corporate Business Plan.

1. Corporate Vision

The Company's Corporate Vision comprises the following.

- (1) Achieve sustainable strong growth as a stronger, more innovative global company.
- (2) Help meet pressing global challenges, such as energy and food security, and contribute to sustainable development of the global community.
- (3) Continuously enhance the value of the company.

2. Three strategies for realizing the Corporate Vision

In order to achieve this Corporate Vision, the Company will actively pursue its Technology Strategy, Climate Change Strategy, and Business Portfolio Strategy. Each of these strategies is outlined in detail below.

(1) Technology Strategy

- Focus R&D resources on the three high-growth areas of Environment and Energy, Life Sciences, and ICT (Information & Communication Technology).
- Implement Creative Hybrid Chemistry, combining key technologies in different areas to continually develop new technologies and products and create new value.
- Pursue Green Sustainable Chemistry to develop competitive products and technologies that contribute to meeting global challenges.

(2) Climate Change Strategy

- Achieve the world's highest level of energy efficiency.
- Develop products and technologies that will contribute to the CO₂ emissions reduction.

(3) Business Portfolio Strategy

- Achieve balance among the three areas of Bulk Chemicals (Basic Chemicals and Petrochemicals & Plastics); Life Sciences (Agricultural Chemicals and Pharmaceuticals); and ICT, battery materials and Fine Chemicals so that each

account for 30% of sales by 2020.

* In fiscal 2009, Bulk Chemicals are forecast to account for 40% of sales and Life Sciences and Fine Chemicals (Fine Chemicals and IT-related Chemicals) for 50%.

3. New Corporate Business Plan

The Corporate Business Plan to be implemented from fiscal 2010-2012 as the first step toward achieving the Company's Corporate Vision is outlined below.

(1) Basic Initiatives

i) Quickly maximize profits and cash flows from major investments

Maximize as soon as possible the profits and cash flows from the Rabigh Project and other major investments.

ii) Enhance financial strength

Enhance cash flow management to strengthen the Company's financial underpinnings. Shift the composition of the business so as to strengthen resilience against exchange rate fluctuations in view of the Company's ever-increasing ratio of overseas sales.

iii) Strengthen cost competitiveness of core and commodity businesses

Establish optimal global production and sales operations as soon as possible. Strengthen cost competitiveness through thorough rationalization to build a greater presence in emerging markets, where competition is intensifying.

iv) Accelerate business growth

Develop new businesses in the three high-growth areas of Environment and Energy, Life Sciences, and ICT. Promote even greater cross-sectoral business exploration and development, while applying Creative Hybrid Chemistry more broadly and effectively.

v) Implement Climate Change Strategy

vi) Strengthen global management system

vii) Ensure full and strict compliance; maintain safe and stable operations

(2) Consolidated Performance Targets

Under the new Corporate Business Plan, the Company will aim to achieve consolidated net sales of 2.4 trillion yen, operating income of 190 billion yen, ordinary income of 220 billion yen, and net income of 140 billion yen in fiscal 2012, the final year of the Plan.

The Company will seek to enhance cash flows for a robust balance sheet while also increasing shareholder equity to achieve a debt-equity ratio of 1.0 by the final year of the Plan.

(Billions of yen)

| | FY 2009 (Forecast) | FY 2012 Target |
|------------------|-----------------------|--------------------------|
| Sales | 1,620 | 2,400 |
| Operating Income | 35 | 190 |
| Ordinary Income | 20 | 220 |
| Net Income | 10 | 140 |

The Company will expedite the implementation of its new Corporate Business Plan to achieve its Corporate Vision throughout the Sumitomo Chemical Group, thereby further strengthening and expanding its corporate fundamentals as well as the scale of its businesses to continually enhance shareholder value while at the same time contributing to the sustainable development of global society.

Forward-Looking Statements

Statements made in this material with respect to Sumitomo Chemical's plans, projections, strategies, beliefs, and future performance that are not historical facts are forward-looking statements that are based on information available at the time of the preparation of this material and include risks and uncertainties. Factors that could materially affect actual results of Sumitomo Chemical's future performance include, but are not limited to, economic conditions in the areas of Sumitomo Chemical's business, demand for Sumitomo Chemical's products in markets, downward price pressure on Sumitomo Chemical's products resulting from intensifying competition, Sumitomo Chemical's ability to continue to provide products that are accepted by customers in highly-competitive markets, and movements of currency exchange rates.