

Company opinion on a Nikkei Shimbun newspaper report of Sept. 5, 2012

Nikkei Shimbun dated September 5, 2012 carried an article giving an impression of Sumitomo Chemical withdrawing from planned production of polarizing films, main LCD-related materials, in China.

Sumitomo Chemical's opinion on this article is as follows:

Sumitomo Chemical currently conducts LCD-related materials business in China involving a wide range of products including polarizing films, optical sheets and other related materials in many locations such as Wuxi, Shanghai, Hefei and Beijing. There is no change in the company's policy that it will continue to work actively to develop its LCD-related materials business in China.

About a manufacturing plant for planned production of polarizing films in China, Sumitomo Chemical has re-scheduled starting its operation due to increased productivity of existing plants as well as slower growth in Chinese demand for polarizing films for televisions than initially projected when the plant construction was decided. We will determine when to start the operation while monitoring the prevailing business environment carefully.

Given the circumstances, we are very embarrassed by the article that has provided misleading information suggesting as if Sumitomo Chemical may withdraw from production of LCD-related materials in China.