

September 14, 2011

Dissolution of Phillips Sumika Polypropylene Company

Sumitomo Chemical announced that it has reached an agreement with Chevron Phillips Chemical Company LP on the dissolution of Phillips Sumika Polypropylene Company (PSPC), a joint venture between the two partners. PSPC will in this connection provide as much support as it can to its customers so that the dissolution will least affect their business operations.

Following the dissolution, polypropylene (PP) compounds for automobiles, among the products sold by PSPC thus far, will continue to be supplied for the North American region by Sumika Polymer Compounds America, Inc. (SPCA) of Griffin, Georgia, the U.S., a company jointly owned by Sumitomo Chemical and Toyo Ink Group. SPCA has ample and advanced expertise in the supply of high-quality PP compound products, and it currently is engaged in the manufacturing for PSPC under contract.

Sumitomo Chemical positions the business of PP compounds for automobiles as one of its core operations, and has established production and sales bases in Japan, Europe, North America, China and Southeast Asia. The Company's products are being supplied worldwide to meet diverse requirements of customers in the automobile industry who are ever globalizing their operations. Sumitomo Chemical remains steadfast in this business strategy and will sustain or further expand its capabilities of ensuring stable supply of products to serve customers' needs in various geographical regions of the world, including North America.

Overview of PSPC

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| (1) Company name: | Phillips Sumika Polypropylene Company |
| (2) Business structure: | General partnership under Texas state law |
| (3) Established: | May, 1992 |
| (4) Headquarters: | The Woodlands, Texas, USA |
| (5) Paid-in capital: | US\$455 million |
| (6) Ownership: | Sumitomo Chemical (including subsidiaries): 40%;
Chevron Phillips Chemical: 60% |
| (7) Business: | Manufacture, sale and development of polypropylene resins |
| (8) Production capacity: | 320,000 tons/year |