

August 4, 2016

**Sumitomo Chemical and Zeon Corporation Agree to Study  
S-SBR Business Consolidation**

Sumitomo Chemical Company and Zeon Corporation have reached a basic agreement to commence a study on possible consolidation of the two companies' Solution Styrene Butadiene Rubber "S-SBR" businesses.

Sumitomo Chemical and Zeon Corporation will look into forming a new joint venture company for the S-SBR business and transferring their current relevant operations, including those of their respective subsidiaries, to the new company, with the aim of strengthening the S-SBR business through such concerted efforts as accelerating new product development, enhancing cost competitiveness and securing stable supply of product.

The basic agreement entered into this time is not legally binding. The two companies will discuss and agree on particulars relating to the S-SBR business consolidation and the new company to be incorporated. Legally-binding definitive agreements will be inked after each company going through their internal authorization procedures. At the same time, necessary steps will be taken to obtain required regulatory approvals or clearance on the transaction both in Japan and overseas.

The current schedule of the new company's formation is as follows:

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|------------------------------------------------------------------------------|------------------------|
| Completing Due Diligence and studies on the envisaged business consolidation | By end September, 2016 |
| Signing of definitive agreements                                             | End December, 2016     |
| Forming the new company                                                      | April, 2017            |