



Creative Hybrid Chemistry  
For a Better Tomorrow

**SUMITOMO CHEMICAL**  
**CSR HIGHLIGHTS 2012**

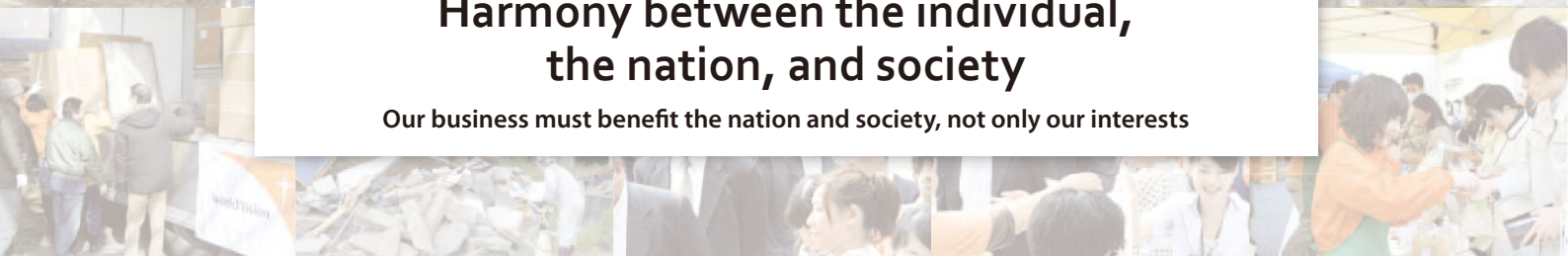




The Sumitomo Spirit

## Harmony between the individual, the nation, and society

Our business must benefit the nation and society, not only our interests



Corporate Slogan

## Creative Hybrid Chemistry For a Better Tomorrow

 SUMITOMO CHEMICAL

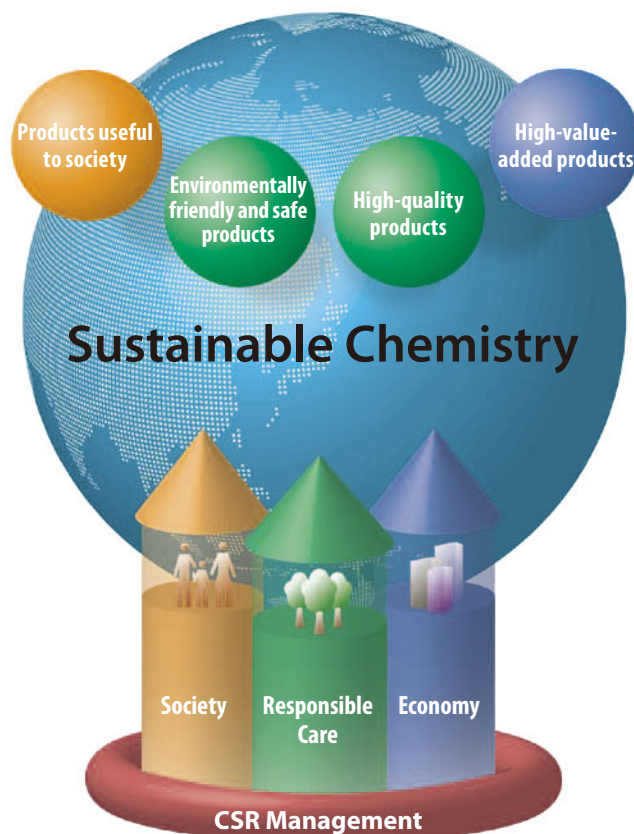


# Toward the Sustainable Development of Society

Sumitomo Chemical promotes “Creative Hybrid Chemistry,” the concept of integrating multiple technologies developed in different areas in order to create new value, in pursuit of “Sustainable Chemistry” that will help provide solutions to energy, food and other global issues.

“Sustainable Chemistry” represents the concept of continuously providing useful products and services in an environmentally and socially friendly manner by exploiting the full potential of chemistry.

Sumitomo Chemical works to practice “Sustainable Chemistry” built on its CSR-based management to achieve a balance among the three areas of “economy,” “responsible care (RC),” and “society” in all aspect of its business.



## Society

Benefiting users, local communities, and the world while abiding by the rules of society

## Responsible Care

(Safety, environment and product quality)

Eliminating accidents and disasters, protecting the environment by most effectively using natural resources and energy, producing safe products, and protecting the health of customers and employees

## Economy

Maximizing corporate value by continually providing better products

## CONTENTS

Message from Chairman and President .....	4
The Roots and Corporate Philosophy of Sumitomo Chemical .....	6
Corporate Data .....	8
Products .....	10
<b>Feature: Supporting the development of children who will lead the future Africa</b> .....	14
Sumitomo Chemical supports education in Africa .....	
Recovery Effort for the Great East Japan Earthquake .....	20
Topics of Activities .....	24



## Message from Chairman and President



Hiomasa Yonekura, Chairman      Masakazu Tokura, President

# Contributing to Solving Major Problems Faced by the International Community and Helping the World Achieve Sustainable Development

## Sumitomo Chemical's CSR

"Our business must benefit society, not just our interests." This is a principle of the Sumitomo family's business philosophy, which forms the core of Sumitomo Chemical's corporate values.

Sumitomo Chemical's history dates back to 1913, when the House of Sumitomo established a fertilizer manufacturing plant to solve an environmental problem and help increase agricultural productivity by producing fertilizers using harmful emissions from copper smelting operations. Ever since its inception, the Company has upheld the conviction that the essence of corporate social responsibility (CSR) is to contribute to the sustainable development of society through business activities.

## Supporting the Recovery of Areas Affected by the Great East Japan Earthquake

The Great East Japan Earthquake, which occurred on March 11, 2011, caused massive damage to wide areas in northeastern Japan, mainly the Pacific coast of the Tohoku and Kanto regions. The Sumitomo Chemical Group launched its relief efforts immediately after the disaster and has since been implementing a variety of measures to support the recovery of the affected areas.

In addition to emergency assistance, such as financial contributions and donation of blankets and basic necessities, we donated our insecticides, SUMITHION™ and SUMILARV™ to some

affected areas suffering from an infestation of flies and mosquitoes after the disaster. We also sent employee-volunteers to set up our high-performance insecticidal nets in garbage dumps and other places in temporary shelter areas. And before winter, we distributed thermal underwear made from our products to the people living in shelters. We also often organize bazaars to sell local specialties from the affected areas, and our company cafeterias serve special meals and donate to the affected areas part of the proceeds from the meals.

We are going to continue to do our best to support Japan's recovery from the disaster, in cooperation with government agencies and NPOs, by capitalizing on our business expertise and management resources.

## Responsible Care

A central pillar of Sumitomo Chemical's CSR activities is Responsible Care (RC), a commitment to ensure safety, protect the environment and human health and maintain high product quality through the life cycles of our products, from development to manufacturing, transportation and sale to use and disposal, and we have been implementing a range of initiatives for promoting RC.

In the field of chemical safety management, which is one of the priority issues of RC, we are conducting extensive, advanced chemical safety research, including research on the genetic, ecological and global environmental levels, making use of the wealth of our expertise and leading-edge technologies.

And to apply the information collected in chemical safety research to risk analysis and promote risk-based chemical safety management, we are making use of "SuCCESS," our comprehensive chemical management system developed in-house.

In addition, we are tackling environment-, resource- and energy-related problems by developing innovative "Clean Products" and "Green Processes" that help reduce the impact on the environment. In particular, we are committed to developing new processes and products intended for energy saving and CO<sub>2</sub> emissions reduction. We are also conducting research to improve the manufacturing processes of our major products with the aim of achieving world-class energy efficiency.

### Contribution to the International Community

This year is the 20th anniversary of the first United Nations Conference on Environment and Development (Earth Summit), which was held in Rio de Janeiro, Brazil, in 1992. To celebrate this occasion, the United Nations convened the Conference on Sustainable Development (Rio + 20) in Rio de Janeiro this June. For this conference, the International Council of Chemical Associations (ICCA), which comprises major chemical industry associations from countries around the world, published a report on the chemical industry's efforts to overcome problems hindering global sustainable development, such as projects for the eradication of poverty and control of infectious diseases. As a leading Japanese chemical company, Sumitomo Chemical participated in the initiative, and our insecticidal mosquito net, Olyset™ Net, was introduced in the report.

#### Control of Malaria by the Olyset™ Net

Malaria, an infectious disease transmitted by Anopheles mosquitoes, is a major obstacle to Africa's fight against poverty and the continent's progress in economic development. In the Millennium Development Goals (MDGs), the United Nations defines malaria control as one of the most pressing challenges facing human society. Sumitomo Chemical has been supplying its "Olyset™ Net"—an insecticidal mosquito net that Sumitomo Chemical developed by using its proprietary technologies—to Africa and many other parts of the world, making significant contributions to malaria control. In addition, by manufacturing these nets in Africa, we are creating local jobs and contributing to the development of the local economy.

Moreover, we have been supporting education in Africa by donating a portion of the revenues from our Olyset™ Net™ business to help NPOs construct schools and other related facilities in the region.

The Olyset™ Net™ business is an embodiment of our principle that our business must benefit society, not just our interests, and we are going to continue to support Africa through this business.

#### "Sumitomo Chemical's Forest" Project

In Thailand, Sumitomo Chemical is implementing, in cooperation with an NPO, the "Sumitomo Chemical's Forest" project,

an initiative to plant mangrove trees with the aim of contributing to the conservation of biodiversity and prevention of global warming. We raise funds for this project by a matching gift program, in which the Company pledges to provide the same amount of funds as the donations made by its directors and employees to the project, and we send to the planting site in Thailand employee-volunteers, who work with local residents to plant mangroves. Since the start of this activity in 2008, we have planted a total of approximately 200,000 mangroves in an area extending over 95 hectares.

#### United Nations Global Compact

As economic globalization accelerates, companies in the private sector are expected to play a greater role in promoting the world's sustainable development. The United Nations launched the Global Compact initiative in 2000 to urge companies to make direct contributions to finding solutions to global problems. In 2005 Sumitomo Chemical became the first Japanese chemical company to join Global Compact. We have also been participating in Global Compact LEAD, the United Nations' new program to put into action the vision developed in the Global Compact initiative, since its launch in 2011.

### Contributing to Solving Global Problems and Promoting Sustainable Development with the Power of Chemistry

The Sumitomo Chemical Group will continue to conduct CSR activities globally as a member of the international community in cooperation with a range of stakeholders, including international organizations, local communities and NPOs. We will also strive to help solve the pressing problems faced by the international community, including those related to the environment, natural resources, energy and food supply, and contribute to the world's sustainable development by making full use of the creative power of chemistry and delivering innovative technologies and products to market.

We would greatly appreciate your continued support and cooperation.

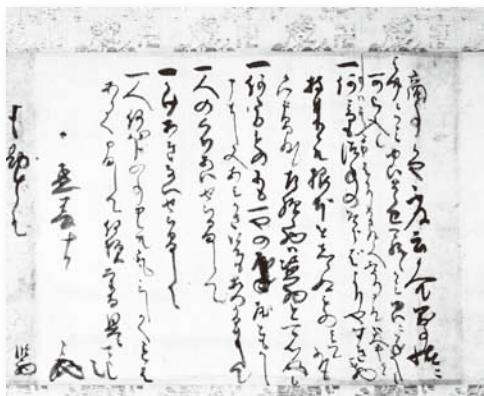
**Hirosasa Yonekura**  
Chairman of Sumitomo Chemical Co., Ltd.

米倉弘昌

**Masakazu Tokura**  
President of Sumitomo Chemical Co., Ltd.

十倉雅和

## Guided by the never-fading words of its predecessors, Sumitomo Chemical will continue to be a reliable and sustainable company that never stops growing.



Founder's Precepts of Sumitomo (written around 1650)



Bust of Masatomo Sumitomo

### **Born with a dual mission—to address the environmental problems and to contribute to the development of agriculture**

The origin of Sumitomo Chemical dates back about 400 years to the Edo Period when Masatomo Sumitomo, the founder of Sumitomo, established a book and medicine shop in Kyoto.

Sumitomo expanded its business to include copper smelting, and saw tremendous growth when in 1691 the Besshi Copper Mine was opened in the Shikoku region. The mine weathered the chaos caused by the Meiji Restoration, and dramatically increased its production output.

However, while copper production was boosted, the mine's emission gases became a social problem. Since the copper ore contained about 40% sulfur, sulfur dioxide gas was emitted during the smelting process, which seriously damaged crops and forests in the surrounding area. In the face of this difficult challenge, the House of Sumitomo decided to move the smelting facilities to an uninhabited island called Shisaka, 20km off the coast of Niihama. The move cost him 800,000 yen, the equivalent of the annual output of the Besshi Copper Mine. Even with the cutting-edge smelting technology available at the time, the move did not produce a satisfactory solution and the damage was all the more aggravated.

"Sumitomo will construct facilities to remove emissions at any cost. I am determined to do it even if the cost exceeds the compensation fees"; (Masaya Suzuki, Third Director General of Sumitomo). With this strong commitment, Sumitomo worked feverishly on research and development to explore a solution and finally decided to construct a new plant specializing in the production of fertilizers (calcium superphosphate) from sulfur dioxide in 1913.

The plant had a dual mission—to address the environmental problems by achieving zero emissions and to contribute to the development of agriculture by providing farmers with affordable fertilizers. This fertilizer plant marks the very beginning of Sumitomo Chemical's business.



Fertilizer plant



## The Sumitomo Spirit and Sumitomo Chemical's Corporate Philosophy

For 400 years since the House of Sumitomo started business, the **Sumitomo Spirit** has been underlying—as Sumitomo's DNA—all activities conducted by Sumitomo Chemical and other Sumitomo Group companies.

The source of the Sumitomo Spirit is Monjuin Shiigaki or the Founder's Precepts, written by Masatomo Sumitomo, which lay out the founder's business philosophy, including the importance of honesty, prudence, and sound management. The Sumitomo Spirit is most concisely defined in **Sumitomo's Business Principles**, established in 1891, which consist of two articles: **Article 1: Sumitomo shall achieve prosperity based on a solid foundation by placing prime importance on integrity and sound management in the conduct of its business; Article 2: Sumitomo's business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue any immoral business.** These pledges reflect the importance of maintaining the trust of the Company's business partners and of society as a whole, and call for refraining from the pursuit of easy gains—conducting thorough investigations and giving serious thought to business decisions so as not to be blinded by the prospect of immediate gains.

While not expressly stated, there is also another fundamental concept that has been passed down through generations at Sumitomo Group companies: **"Harmony between the individual, the nation, and society."** This concept expresses the Company's basic stance to seek to benefit not only its own business, but also both the nation and society, as well as the Company's emphasis on maintaining harmony between its interests and those of the public.

As the Company's business becomes globalized, in recent years the number of non-Japanese employees has been increasing at Sumitomo Chemical, and employees' cultures and values have been diversified. To clarify the common future direction of all employees in this increasingly globalized environment, Sumitomo

Chemical formulated its **Business Philosophy** as follows based on the Sumitomo Spirit:

- 1. We commit ourselves to creating new value by building on innovation.**
- 2. We work to contribute to society through our business activities.**
- 3. We develop a vibrant corporate culture and continue to be a company that society can trust.**

The Company also laid out the **Corporate Statement** with the aim of enhancing its value and image. This statement was developed through discussions among employees regarding the "pride" and "commitment" that employees are expected to maintain in the future and what employees need to enhance and value. Based on how the Company has contributed to society throughout its history until today, the statement declares that, for the future, **"we will create new value beyond the boundaries of chemistry by combining a variety of ideas, views and technologies. We will also continue to take up the challenges facing the globe, from meeting basic needs, to protecting the environment, to addressing the issues of adequate supplies of food, energy, and other resources."**

All these beliefs expressed in this Corporate Statement were then encapsulated into a simple phrase as the **Corporate Slogan: "Creative Hybrid Chemistry For a Better Tomorrow."**

While respecting its history and tradition, Sumitomo Chemical will actively adopt new cultures and values to make great strides forward as a global company.



Sumitomo Chemical Historical Museum



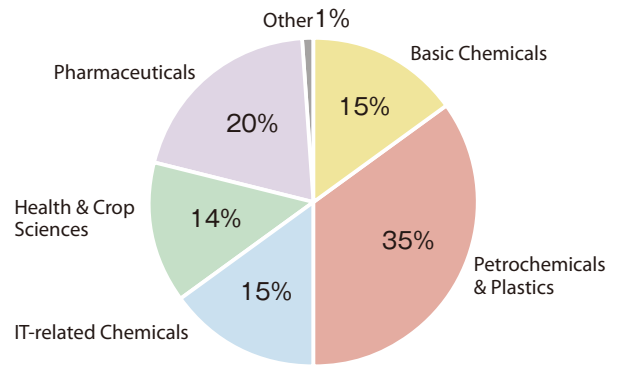
# Corporate Data



## Company Profile

Name : Sumitomo Chemical Co., Ltd.  
 Head Office (Tokyo) : Tokyo Sumitomo Twin Building (East)  
 27-1, Shinkawa 2-chome, Chuo-ku,  
 Tokyo 104-8260, Japan  
 (Osaka) : Sumitomo Building  
 5-33, Kitahama 4-chome, Chuo-ku,  
 Osaka 541-8550, Japan  
 Founding : September 22, 1913  
 Start of business operations : October 4, 1915  
 Incorporation : June 1, 1925  
 Capital : 89,699 million yen  
 Consolidated net sales : 1,947.9 billion yen  
 Number of consolidated subsidiaries : 181  
 Number of employees : 29,839 (As of March 31, 2012)

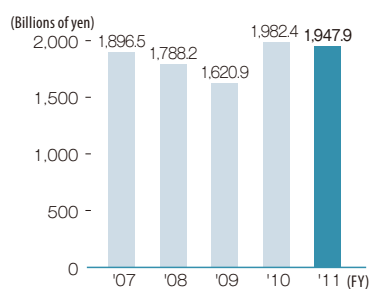
## Share of Sales by Business Sector



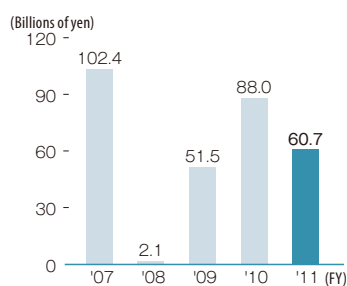
1,947.9 billion yen (FY 2011)

## Business Performance

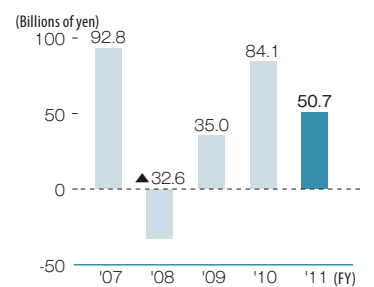
### Net Sales



### Operating Income

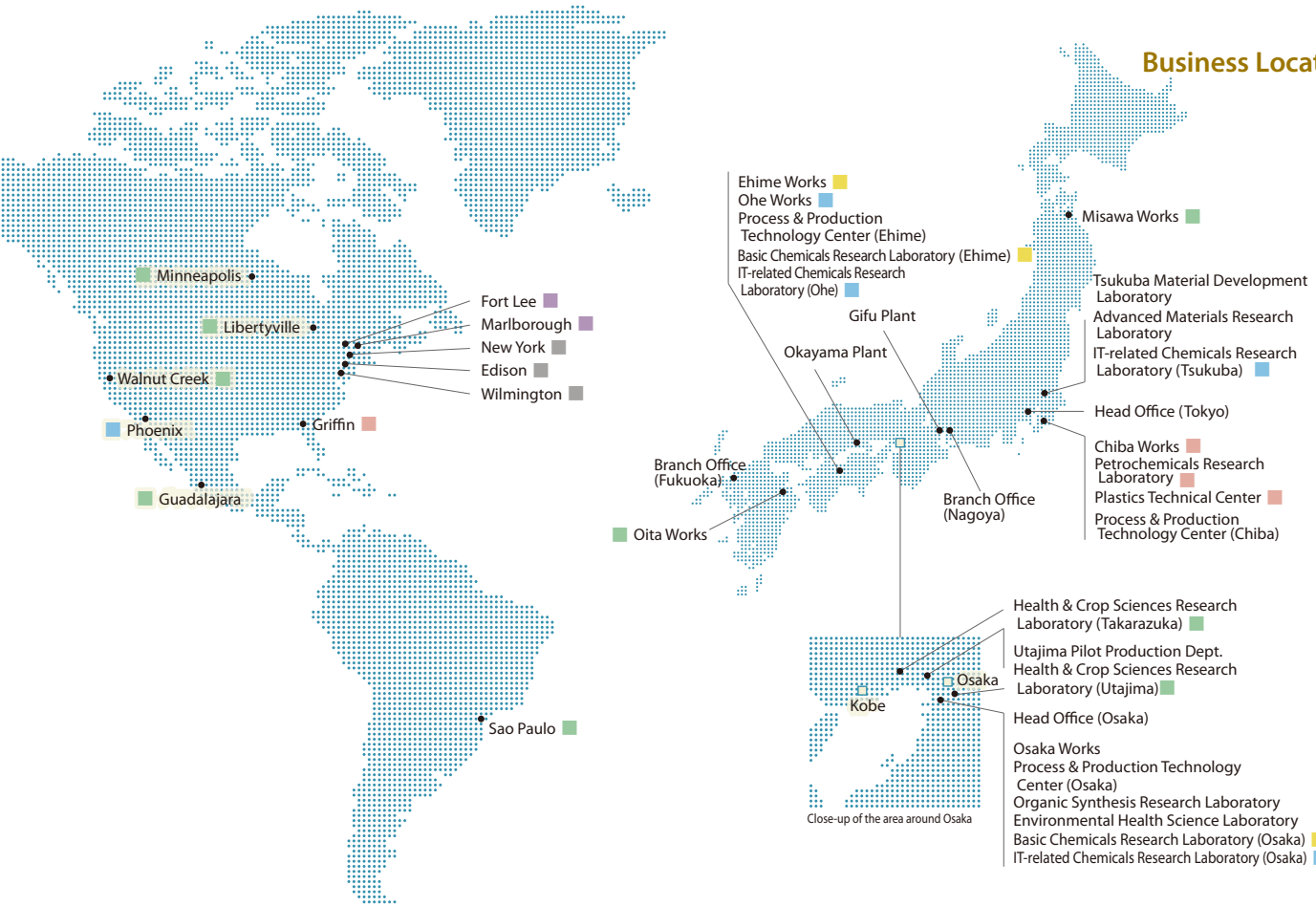


### Ordinary Income





Business Locations



Business Sectors



Alumina powder and products made from alumina



Containers and wrapping films made from polyethylene



Polarizing film indispensable for LCD TVs



Agricultural insecticides for various crops



Pharmaceuticals manufactured by Dainippon Sumitomo Pharma Co., Ltd.

**Basic Chemicals Sector**

Inorganic chemicals  
Raw materials for synthetic fibers  
Organic chemicals and methyl methacrylate (MMA)  
Alumina products  
Aluminum  
Rubber chemicals  
Polymer additives, etc.

**Petrochemicals & Plastics Sector**

Petrochemical products  
Synthetic resins  
Synthetic rubber  
Synthetic resin processed products  
Polyethylene containers  
Wrapping films, etc.

**IT-related Chemicals Sector**

Optical products  
Color filters  
Semiconductor processing materials  
Electronic materials  
Compound semiconductor materials  
Battery materials  
Polarizing films, etc.

**Health & Crop Sciences Sector**

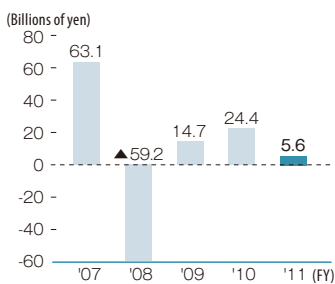
Crop protection chemicals and fertilizers  
Agricultural materials  
Household and public hygiene insecticides  
Materials for the prevention of tropical infections  
Feed additives  
Active pharmaceutical ingredients and intermediates, etc.

**Pharmaceuticals Sector**

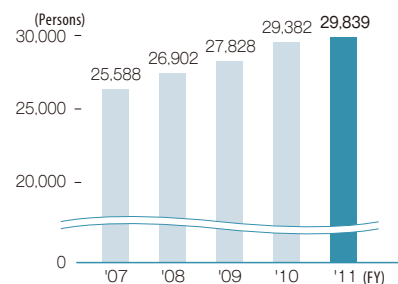
Ethical pharmaceuticals  
Diagnostic radiopharmaceuticals, etc.

**Others**

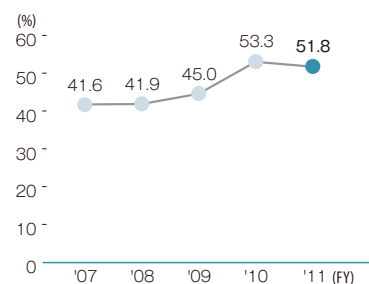
Net Income



Number of Employees

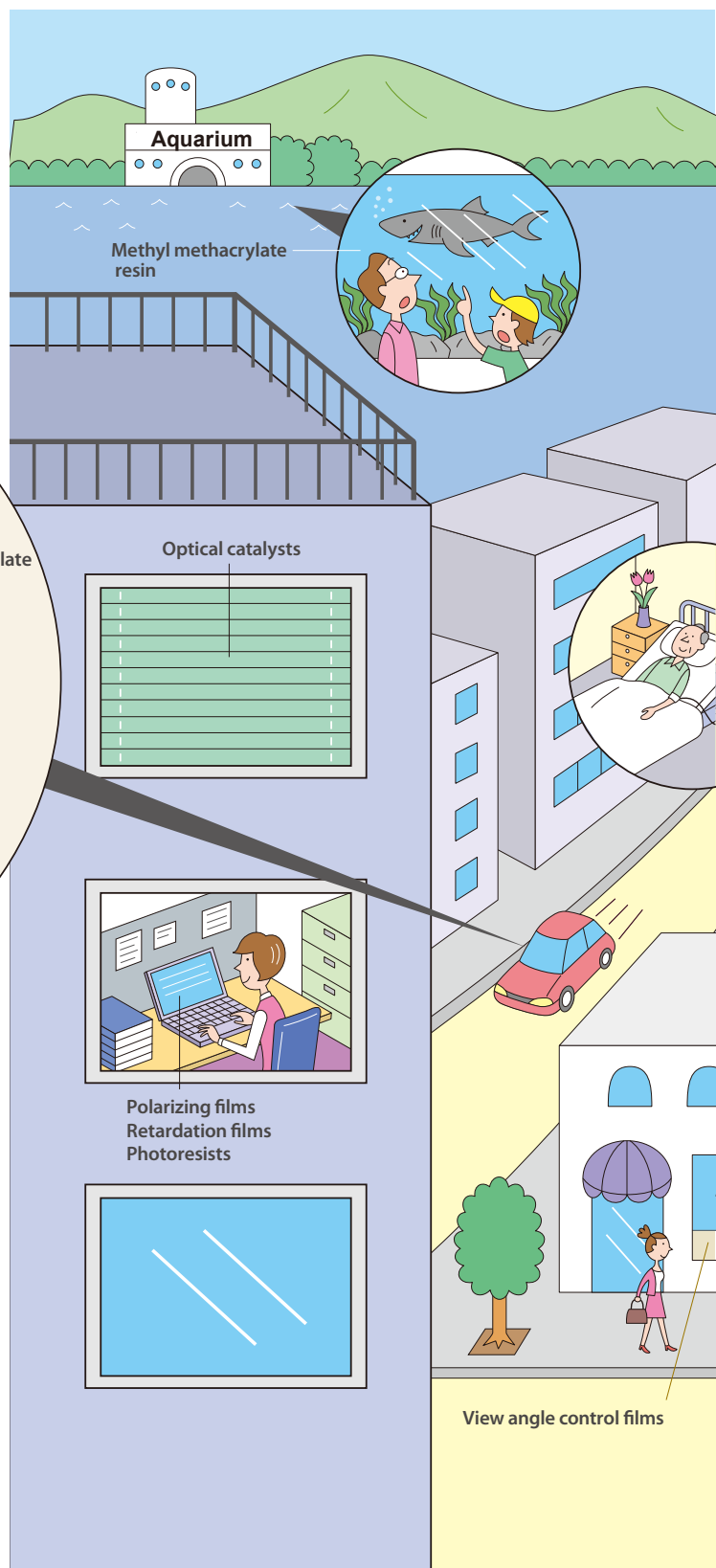
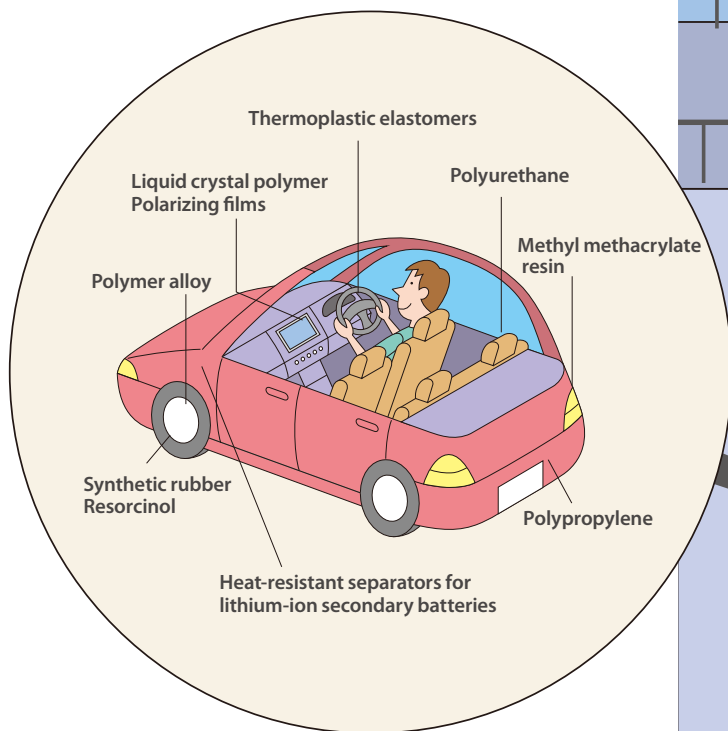


Overseas Sales Ratios

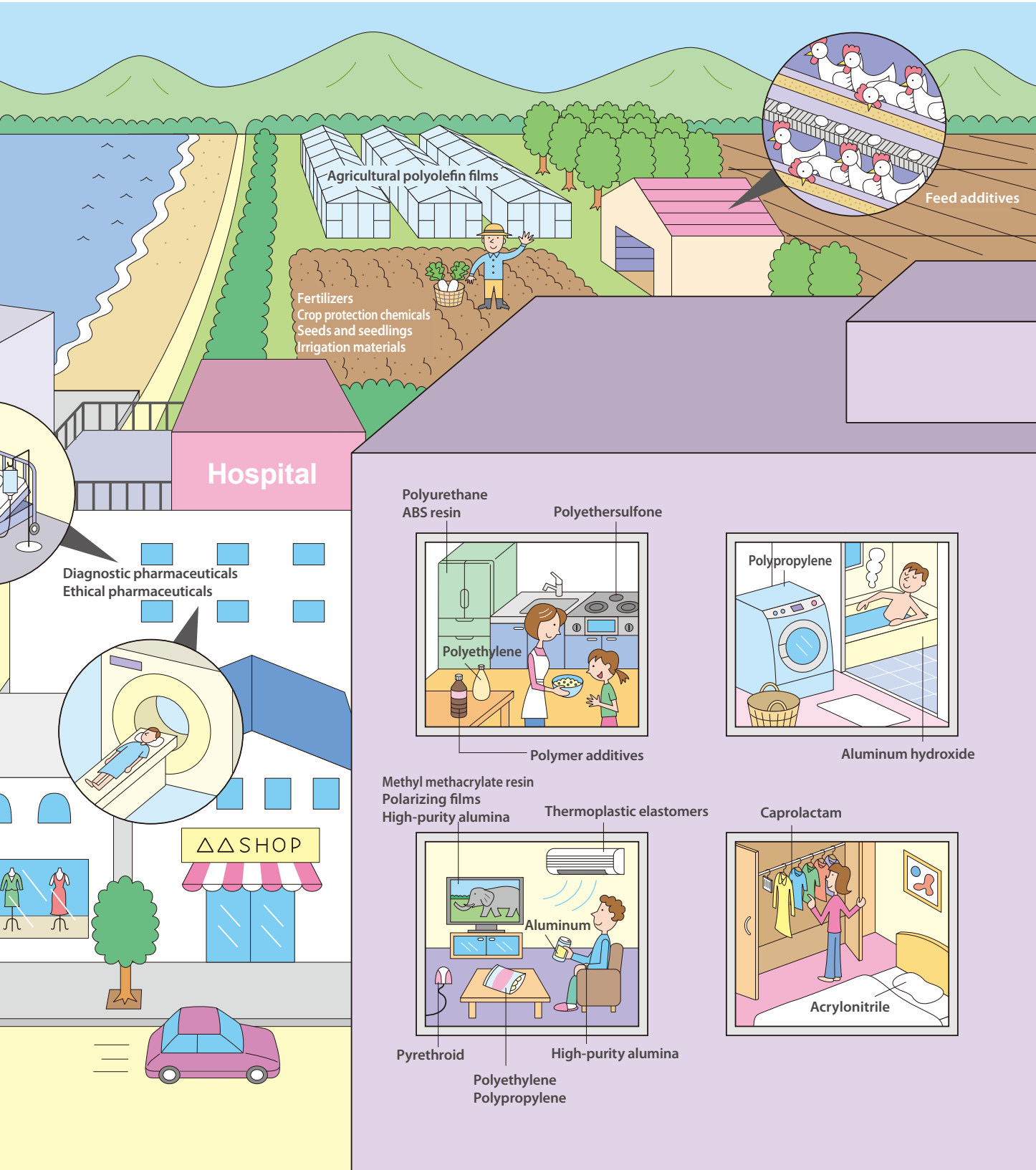


# The Sumitomo Chemical Group's technologies and products play essential roles in society

The Sumitomo Chemical Group's technologies and products are utilized in a wide spectrum of areas, including automobiles, information technology, medical care, agriculture, and everyday living. Through its business activities, the Sumitomo Chemical Group works hard to realize more comfortable lives for people the world over and plays an important role in solving energy, global environment, and various other global problems.

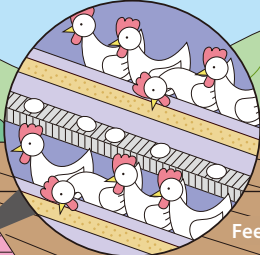






Agricultural polyolefin films

Fertilizers  
Crop protection chemicals  
Seeds and seedlings  
Irrigation materials

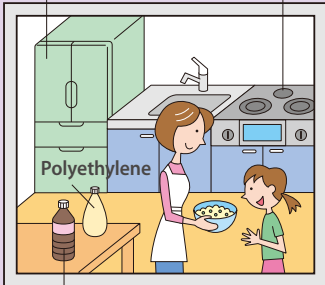


Feed additives

Hospital

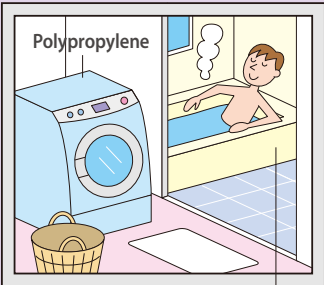
Diagnostic pharmaceuticals  
Ethical pharmaceuticals

Polyurethane  
ABS resin  
Polyethersulfone



Polyethylene

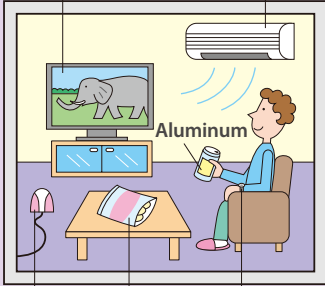
Polymer additives



Polypropylene

Aluminum hydroxide

Methyl methacrylate resin  
Polarizing films  
High-purity alumina  
Thermoplastic elastomers



Aluminum

Pyrethroid  
High-purity alumina

Caprolactam



Acrylonitrile

Polyethylene  
Polypropylene

△△SHOP

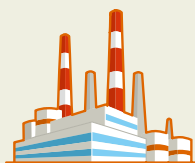
## Sumitomo Chemical is committed to developing environment-friendly products and processes

### Product life cycle



#### Research & development

Developing more environment-friendly products and manufacturing processes



#### Manufacturing

Minimizing the use of energy (electricity, fuel, heat) and resources (water and raw materials) and reducing waste, including wastewater and waste gas

Disposal/recycling



### Green Processes Manufacturing processes with lowest possible environmental impact

We need to use energy and resources, which are in limited supply, to manufacture chemical products. In the production process, unneeded substances (byproducts) or waste may also be generated. Sumitomo Chemical has developed Green Processes to minimize the environmental impact of manufacturing to the greatest extent possible.

An example of such Green Processes is the new manufacturing process named the propylene oxide-only process. Propylene oxide (PO) is mainly used as urethane material, with approximately 7 million tons or more produced around the world, and many byproducts are generated during the conventional manufacturing process. However, with the new process developed by Sumitomo Chemical, propylene oxide can be manufactured without byproducts by recycling cumene. Furthermore, the process boasts an extremely high product yield due to the use of a catalyst that was independently developed by the Company. In addition, this process helps conserve energy and resources by the effective use of the heat generated by reactions and produces less wastewater.



#### Reduction in CO<sub>2</sub> emissions achieved through the use of the proprietary propylene oxide-only process

(Relative to the conventional manufacturing process for the production of 200,000 tons of propylene oxide)

About **300,000** tons  
/200,000 tons of PO

### Other Green Processes

#### Hydrochloric Acid Oxidation Process

In this process, hydrochloric acid generated as a byproduct in the manufacture of chemical products is recycled through conversion to chlorine using a catalyst and oxygen. This process uses less energy and is more environment-friendly than the conventional process.



#### Caprolactam (Beckmann Rearrangement) Process

In this process, caprolactam can be manufactured without producing the byproduct ammonium sulfate. This process also allows for a significant reduction in the amount of raw materials used as well as a shortened manufacturing process.

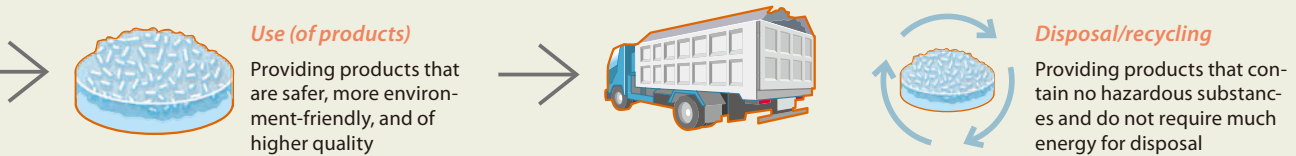


#### EPL 3 Process for Polarizer

The lamination processes of optical films used for LCDs, etc. has been dramatically changed, and compared with the conventional method, energy consumption can be substantially reduced. Moreover the prior processing is no longer necessary for a part of the film, which leads to the reduction of environmental impact.







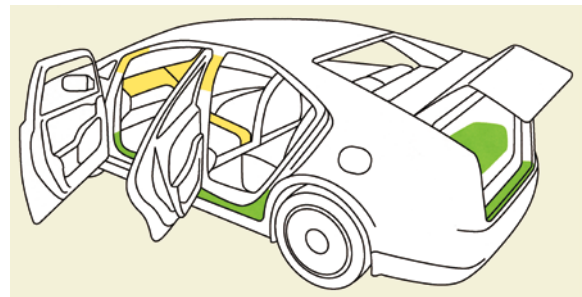
## Clean Products Products that are safer, more environment-friendly, and of higher quality

While reducing the use of resources and energy in the production processes, we are developing Clean Products that are safer, more environment-friendly, and of higher quality with a view to releasing innovative technology-based products that contribute to the reduction of environmental impact in a range of areas in society.

Polylactic acid-based eco-friendly plastics are an example of Clean Products. This plastic is a polymer alloy of polypropylene and polylactic acid. Because polylactic acid is derived from plants and is carbon neutral\*, total product life cycle CO<sub>2</sub> emissions can be reduced by about 10% compared with the use of conventional polypropylene.

**\* Carbon neutral**

Because plants absorb atmospheric CO<sub>2</sub> for photosynthesis, the total life cycle CO<sub>2</sub> emissions from plants are considered to be zero even if CO<sub>2</sub> is emitted when they are disposed of by incineration.



- Areas in which our polylactic plastic is presently used
- Areas in which our polylactic plastic is expected to be used

**Total product life cycle reduction in CO<sub>2</sub> emissions achieved by the use of polylactic acid-based eco-friendly plastic**

(Relative to the use of conventional polypropylene)

About a **10%** reduction

### Other Clean Products

#### Materials for the Manufacture of LEDs

The use of light-emitting diodes (LEDs) is highly effective for CO<sub>2</sub> emissions reduction, and therefore demand for LEDs for use in TVs and long-life lights has been rapidly expanding. Sumitomo Chemical supplies the materials indispensable for the manufacture of LEDs, including high purity alumina for the sapphire substrates of LED elements and metalorganics for semiconductor thin film formation.



#### Agricultural Insecticide "Pluto™ MC"

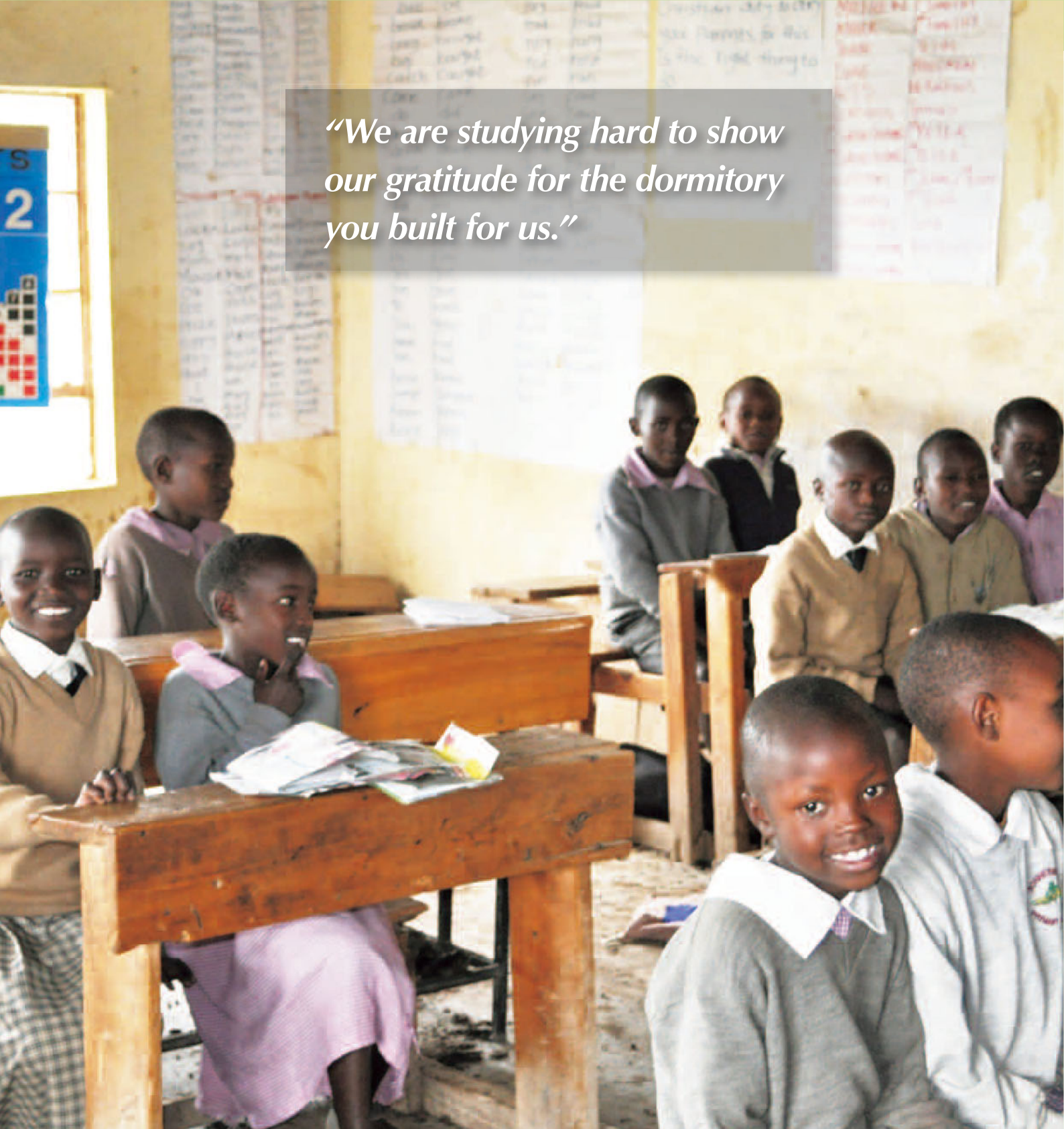
Pluto™ MC is an insecticide for use only in the control of mulberry scale, a serious insect pest, on tea plants. With only one winter application to the crop, this product will provide effective long-term control of mulberry scale. This enables tea growers to reduce the frequency of insecticide spraying. Furthermore, this product has little impact on natural enemies of this pest, such as parasitic wasps, making it also suitable for integrated pest management (IPM).



#### Aluminum Titanate DPF

Diesel particulate filters (DPFs) are attached to diesel engine-powered vehicles to remove soot. The aluminum titanate DPF developed by Sumitomo Chemical possesses excellent features such as the ability to continuously collect large volume of soot.





*“We are studying hard to show our gratitude for the dormitory you built for us.”*

**Feature**

# *Supporting the development of children*

**Sumitomo Chemical supports education in Africa**



## Improving school facilities to help more children attend school

In Kenya, a country on the east coast of the African continent that falls on the Equator, an elementary school girl says with a beaming smile, "My house is 20 km away from school, so it was real tough to walk to and from school every day. I was often late and I couldn't help it. But the new dormitory has solved all those problems. Now I can study as much as I like and I'm getting better scores." The dormitory she is referring to is a girls' dormitory that was built adjacent to her school where she now lives.

This dormitory was built by Sumitomo Chemical in cooperation with the NPO named World Vision Japan, as part of the first Kenyan project organized under the Company's education support initiative for African countries that was launched in 2005.

The Shapei Primary School stands in a region that is rich in nature and home to many Maasai communities, located roughly 150 km northwest of Kenya's capital city of Nairobi. The construction of girls' dormitory at this school was aimed to solve the long commute to and from the school and to protect the student from being attacked by wild animals during these commutes.

The dormitory construction project is also aimed at discouraging girls from dropping out of school. Maasai girls are known for their distinctly high failure rate in completing the nationally required eight-year school education. This is attributable to the tribe's traditional way of thinking that girls who reach their 12th birthday are of marrying age and thus need no formal education. However, there have recently been an increasing number of local tribespeople who have broken with these traditional values and believe that girls also should receive a proper school education. Against this backdrop, the demand for the construction of girls' dormitory has become extremely high.

Sub-Saharan Africa, the area of the African continent that lies south of the Sahara, is the world's poorest region. Governments in this economically disadvantaged region face various difficulties in promoting public education. Particularly, inadequate school facilities and a shortage of schools, as exemplified by the case of Shapei Primary School, have resulted in an enormous number of children to learn in severe, adverse conditions such as old and creaky, overcrowded classrooms or exposure to the heat and swirling dust.

Believing that development of a proper primary education system and related infrastructure is essential to the growth of African countries, Sumitomo Chemical has offered support to a total of 14 projects for construction of primary and secondary school buildings, student dormitories, teachers residences, school lunch kitchens and others in 10 countries.

This section reports our efforts for supporting education and development of children who will lead Africa into the future.



Students at Shapei Primary School



Parents of Kyakijuuto Primary Schoolchildren in Uganda



Natural landscape of Africa

# who will lead the future Africa





## Malaria Control — Beginning of our Support for Africa

Sumitomo Chemical's relationship with Africa was significantly enhanced when the Company developed the Olyset™ Net, an insecticidal mosquito net that helps prevent the spread of malaria.

Every year, 200 million people around the world develop malaria and 0.65 million people die from the disease. People living in Africa account for 90% of these deaths, and most of the victims are children under the age of five living in the Sub-Saharan region. Malaria also deprives many people from opportunities to work and attend school, while incurring high costs for medical treatment, resulting in a vicious cycle of poverty from which it is difficult to escape. In this sense, control of malaria infection is a major challenge for the continent to overcome in order to achieve desired economic development.

Malaria is an infectious disease transmitted by mosquitoes, and prevention of direct contact with the insect via a physical barrier represents the most effective method of preventing contraction of the disease. However, no effective nets had been used for this purpose in malaria endemic regions until Olyset™ Net was developed and distributed.

The Olyset™ Net, made from insecticide-infused polyethylene resin-based fibers, is an innovative mosquito net that features high durability, insecticidal efficacy that lasts more-than-five-years, and high air circulation properties that were improved for use in Africa's hot climate. In 2001, the World Health Organization (WHO) evaluated the long-lasting insecticidal efficacy of the new net and recommended it as an effective tool for malaria prevention, making the product the focus of global attention as an effective answer to one of the world's major problems. Since then, the Olyset™ Net has been distributed to more than 50 nations, mainly in Africa, via the WHO, the United Nations Children's Fund (UNICEF) and other UN bodies, as well as by NGOs and international organizations. Positive results with the product have been reported, specifically, a decline in malaria infections, including parasite carriers, in areas where the net was introduced.

The contributions of the Olyset™ Net business to Africa expands from the direct contribution to combating malaria to reducing infant mortality, improving maternal health and eradicating poverty. In addition, in order to achieve the sustainable development of Africa, Sumitomo Chemical acknowledges the importance of improving the education system at the same time. In 2005 we launched a new scheme for primary education support using a portion of proceeds from the Olyset™ Net business.



## Sumitomo Chemical's activities to support Africa and related events

- 1994..... Development of Olyset™ Net
- 1998..... Launch of Roll Back Malaria Partnership, a global framework for coordinated action against malaria
- 2001..... WHO endorses the Olyset™ Net as a "long-lasting insecticidal net"
- 2003..... A to Z Textile Mills Limited, a Tanzanian mosquito net manufacturer, starts production of the Olyset™ Net .....
- 2005..... Support of school construction projects in Tanzania and Kenya (followed by education support to Uganda, Zambia and Ethiopia)
- 2006..... Donation of around 330,000 Olyset™ Nets to Millennium Promise, a U.S.-based NPO
- 2007..... Vector Health International Limited, a joint venture established by Sumitomo Chemical and A to Z, starts production of Olyset™ Net
  - Donation of around 110,000 Olyset™ Nets to Malaria No More, a U.S.-based NPO
- 2010..... Sponsoring the malaria prevention campaign held in South Africa in conjunction with the 2010 FIFA World Cup
  - Decision to donate around 400,000 Olyset™ Nets to Millennium Promise
  - Yonekura, Chairman of Sumitomo Chemical, attends a UN high-level plenary meeting on the Millennium Development Goals (Round-table 5) .....
- 2011..... Distribution of Olyset™ Net in Malawi, as part of the "Love is Free Campaign\*1," hosted by mudef\*2
  - Co-sponsoring an anti-malaria campaign jointly organized by Malaria No More and David Arquette, an American actor
  - Introducing Olyset™ Classic to the consumer market in Kenya

\*1 The Love is Free Campaign is a malaria prevention project for children in Malawi. Mosquito nets, educational materials and other supplies are distributed to Consol Homes Orphan Care in Malawi, a home for children who lost parents to AIDS. The project is promoted by Misia, a Japanese singer and songwriter.

\*2 mudef, a Japanese general incorporated foundation, organizes art and music events and activities designed to raise public awareness of various global issues, including malaria.



# Supporting 14 education projects in 10 countries

(As of June 2012, including joint support projects.)



Wofargif Primary and Junior High School in Ethiopia



Shapei Primary School in Kenya



Magadini Primary School in Tanzania



## Revitalizing the regional economy through local production of the Olyset™ Net

Currently, the Olyset™ Net is manufactured in China, Vietnam and Tanzania. Sumitomo Chemical built a local production base in Tanzania in order to provide the Olyset™ Net to its major markets directly.

We also hope to contribute to Africa's development by creating employment for local residents and to help African people in the fight against malaria.



## Improving school facilities

The Republic of Uganda, which shares the eastern border with Kenya and the western border with Congo, is one country in which Sumitomo Chemical has conducted education support projects. During three years from 2009 to 2011, we provided support to the Kyakijuuto Primary School, located roughly 220 km west of Kampala, capital of the inland country.

"We couldn't use the classrooms on rainy days," said the principal, looking back at the previous dilapidated school building. "In this area, public education is not accessible to many children due to a stark shortage of schools," he added. "Regarding the schools we do have, nine out of a total of 20 school buildings are poorly framed with bamboo and mud walls, which often cannot serve their purpose during the rainy season."

As part of the efforts to improve this poor learning environment, Sumitomo Chemical supported a facility improvement project for the primary school under which construction was completed for three school buildings accommodating seven classrooms as well as the principal's office and teachers room, and equipped with separate toilets for teachers, boys and girls. In addition, a rainwater storage tank was installed on school premises as a means of accessing clean water that is normally difficult to gain in an area with no modern water supply infrastructure. The tank serves to help students, who previously had to rely on using pond water, to improve hygienic conditions.

In supporting education of Africa, hygienic conditions are just as important an issue as building structure. With this recognition, Sumitomo Chemical works to provide African children with places they can learn in safe and clean environment.



### The opening of the new school buildings celebrated with many guests, in Uganda

On October 17, 2011, a ceremony was held to celebrate the opening of the new school buildings for Kyakijuuto Primary School, in Uganda. The event was attended by many people who showed their gratitude and expectations of the project, including schoolchildren who performed songs and dramas, and a local congressman who was invited to deliver a congratulatory address. Two representatives from the CSR Office of Sumitomo Chemical also attended the celebration and they delivered stationeries to the children as gifts.



BEFORE  
Previous classrooms could not provide shelter against bad weather



AFTER  
**Classroom**  
Children learning in a new school building (Kyakijuuto Primary School)



BEFORE  
Previously, children used water from a pond



AFTER  
**Water**  
Clean water is accessible from the water tank installed on school premises



**Dormitory**  
In Shapei Primary School's girls' dormitory, every bed is equipped with the Olyset™ Net



**School lunch**  
Children queuing for lunch in front of the new school kitchen. (Shapei Primary School, Kenya)

**School buildings are not the only facilities in need for support.**





### For more children to learn in a better environment

In Africa, one out of every four children does not attend primary school and one out of every three enrolled drops out.

Aiming to solve this distressing situation, Sumitomo Chemical commenced education support initiatives for Africa in 2005 when the Company launched primary school building construction projects in Tanzania and Kenya. These efforts have expanded to other countries and have gradually produced results, including improved school attendance and completion rates. We have received positive comments from schools that we have supported, such as “The number of students has increased to 379 from around 290 in 2005 before the support project started” (Shapei Primary School in Kenya), and “Previously, we often had to stop class because of rain, which hampered most students in acquiring standard academic ability. The new school building has improved these adverse conditions and everybody is now learning as much as they want” (Kyakijuuto Primary School in Uganda).

Aiming to help more African children learn in a better environment, Sumitomo Chemical will continue providing support to improve the educational environment in the region.



TFT meal served at the head office in Tokyo

### Employees supporting Africa through the TABLE FOR TWO program

Eat one meal at the company cafeteria and you can donate one meal to African children – with this concept, Sumitomo Chemical serves menus prepared under the TABLE FOR TWO (TFT) program at the cafeterias of its offices as an effort to promote social contribution activities that involve the participation of individual employees. When employees choose a TFT meal, 20 yen per meal is donated to the TFT Secretariat and the money is used to pay for a school lunch for a child in Africa.

Since its participation in the program in May 2008, the Company has made donations that match the contributions of employees, with total donations made under the TFT program amounting to 11,673,600 yen as of the end of March 2012.



# Recovery Effort for the Great East Japan Earthquake

## Sumitomo Chemical Group Makes Continued Efforts toward Full Recovery of the Affected Areas

The Sumitomo Chemical Group has been supporting the areas affected by the Great East Japan Earthquake in a variety of ways since immediately after the earthquake on March 11, 2011. One year has already passed since the disaster, and the support needs of affected areas have been changing along with progress in recovery.

Sumitomo Chemical will continue to support the areas toward full recovery by conducting activities in careful consideration of their current needs, while implementing anti-disaster measures to ensure its own business continuity.

This section will introduce part of the various support activities the Group has made since the disaster.

### Employee Volunteer Activities

Sumitomo Chemical sent employees who had volunteered to affected areas in Iwate and Miyagi Prefectures on two occasions (first period: July to September, 2011; second period: November and December, 2011). The activities consisted of 11 five-day-programs (seven during the first period and four during the second period) with a total of 239 employees nationwide, who participated in a variety of tasks that utilized the Company's strengths in order to adequately meet the needs of the affected areas.

In the first period, volunteers engaged in pest control work in addition to a variety of tasks in cooperation with local volunteer centers. The second period focused on distribution of HEATFACT™ functional innerwear, which was donated by the Company. Details of these activities will be outlined in the section below.



### Installing highly functional insecticidal nets (a product of a Group company) for pest control

(July–August 2011/Kamaishi City and Otsuchi Town, Iwate Prefecture; Shiogama City, Miyagi Prefecture)

We dispatched employee volunteers to afflicted coastal areas that suffered from fly and other pest infestations that came along with the hot summer weather, where they installed garbage collection points in temporary housing areas

with highly functional insecticidal nets. This pest control net, which has been developed by a Group company that shares the same technology and materials as those used to produce the Olyset™ Net. It is primarily used to install in windows mainly in precision machine factories and food processing plants to prevent pest invasion, contains a pyrethroid-based insecticide that is safe to human health. The nets helped to alleviate the pest issue faced by the affected areas.



Installing a garbage collection point in a temporary housing area with an insecticidal net

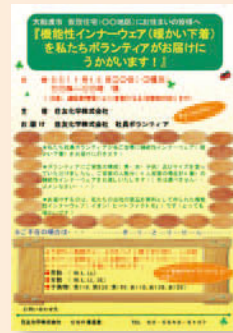
## Donating functional innerwear made from Sumitomo Chemical's product

(November–December 2011/Ofunato City and Kamaishi City, Iwate Prefecture)

In November and December 2011, the start of the coldest season in Japan, Sumitomo Chemical again sent employees to the affected areas to distribute HEATFACT™ innerwear door-to-door to people living in temporary housing complexes and other public apartments. HEATFACT™ is a functional innerwear produced mainly from acrylonitrile manufactured by Sumitomo Chemical (a product under the private label of AEON, a Japanese retailer). Roughly 10,000 units were provided to 5,224 households in Ofunato and Kamaishi cities.



Distributing functional innerwear to temporary housing residents



Notifying the information on the door-to-door distribution of HEATFACT™



### Participating in the volunteer activities

**Mina Kihara**  
Optical Materials Division,  
Head Office in Tokyo



I participated in two sessions of the company volunteer project to help out affected areas, where I was stunned by the devastation laid out in front of my eyes. The first session I joined was organized with about 20 participants, who engaged in removing debris. We were overwhelmed by the tremendous heap of rubble that remained even after our full-day of work ended. But while working and talking together with other team members from across the country, I came to realize that in order to rebuild social infrastructure in the affected areas, it is important to make small but constant efforts, even though it may take a long time. In the second session, which was held in early winter, I visited temporary housing areas in the cities of Kamaishi and Ofunato to directly provide disaster victims with functional innerwear. Meeting face-to-face with them made me somewhat nervous, but when I heard their warm appreciation of our effort, I felt extremely rewarded and encouraged. I was also proud that our company's product was one of the donated items that were helping them. Although public concern for the affected areas and people may fade away as time passes, I hope to continue supporting the affected areas.

Employee volunteers all from around the nation, including Kihara (second from the right in the front row)



## Activities in cooperation with local volunteer centers (August–September 2011/Kamaishi City and Otsuchi Town, Iwate Prefecture)

### Redevelopment of elementary school grounds / Nanohana Project

In Toni Elementary School in Kamaishi City, our volunteer team helped with work on redeveloping the tsunami-damaged school ground, removing rubble and pebbles and digging through the soil. This was organized so that the children can once again play freely in their school ground.

In Otsuchi Town, volunteers participated in the Nanohana Project in which they cultivated land on a riverside area along the Otsuchi River and sowed rape blossoms seeds to help complete the plan of filling the riverside field with bright yellow flowers next spring.



Cultivating fields on an Otsuchi riverside area under the Nanohana Projects



Rape blossoms in full bloom on the riverside (May 2012)

### Delivering relief supplies to temporary housing units / washing dishes in a disaster-hit hotel

To help distribute relief supplies sent to affected areas, our volunteers delivered them to individual temporary housing units.

The volunteer team also helped with restoration work in a tsunami-hit seaside hotel in Otsuchi Town by washing muddy dishes and utensils. One member remarked, "While working with hotel employees, I became more keenly aware of the need to support recovery efforts."



Washing dishes in a disaster-hit hotel

### Debris and mud removal / weeding around apartments

Our employees helped with clearing land following removal of the wreckage of collapsed houses with heavy machinery. On one of the work sites, a worker who was removing the remaining debris and mud found photos and other items of those who had lived there. The volunteers also helped with clean-up work around public apartments that were being temporarily used by disaster victims, clearing weed-strewn yards and removing mud from storage areas.



Mud extraction after removal of house wreckage

From a person in charge at Kamaishi City Government

#### Mr. Atsushi Shirahama

Health Promotion Department, Health Care & Welfare Division, Kamaishi City Government

We cannot express enough appreciation for the kind support of Sumitomo Chemical and its employee volunteers. The Great East Japan Earthquake was a catastrophe of unprecedented-scale that not only destroyed our communities but has sown deep depression in people living in the affected areas. Sumitomo Chemical volunteer teams came to this physically damaged and psychologically depressed area to extend a helping hand and have worked tirelessly despite severe summer heat. I believe that many victims were encouraged by and appreciated these sincere efforts. With appreciation for the support from Sumitomo Chemical in mind, we will continue working to overcome the tragic damage sustained, aiming to achieve full recovery and build a bright future.

# Recovery Effort for the Great East Japan Earthquake

## Sumitomo Chemical Group's Support for the Affected Areas

### Summary of support activities and related events

#### 2011

- March** Occurrence of the Great East Japan earthquake  
Donation of money and relief goods
- April** Launched a company cafeteria meal program under which a portion of sales is donated to affected areas (Tokyo Head Office)  
Holding a fair to sell food products from Tohoku and Kanto regions (Tokyo Head Office)
- May** Launched the company cafeteria meal program (Osaka and Oita Works)  
Holding a fair to sell food products from Tohoku and Kanto regions (Tokyo Head Office, in cooperation with other companies from the Tokyo Sumitomo Twin Building)
- June** Launched the company cafeteria meal program (Chiba, Ehime and Ohe Works)  
Affected areas suffering from insect pest infestations
- July** Established the Social Action and Disaster Recovery Group within the CSR Office  
Donated insecticides (Sumitomo Chemical products) to 12 municipalities in Iwate and Miyagi Prefectures  
Dispatched employee volunteers to affected areas (Kamaishi City and Otsuchi Town in Iwate Prefecture; Shiogama City in Miyagi Prefecture), where pest control nets were installed  
Launched the company cafeteria meal program (Gifu Plant)  
Held a fair to sell food products from Tohoku and Kanto regions (Tokyo Head Office, in cooperation with other companies housed in Tokyo Sumitomo Twin Building)
- August** Dispatched employee volunteers to affected areas (Kamaishi City and Otsuchi Town in Iwate Prefecture; Shiogama City in Miyagi Prefecture), where they installed pest control nets and worked in cooperation with local volunteer centers  
Held a fair to sell food products from Tohoku and Kanto regions (Osaka Works)
- September** Dispatched employee volunteers to affected areas (Kamaishi City and Otsuchi Town in Iwate Prefecture), where they worked in cooperation with local volunteer centers
- November** Dispatched employee volunteers to affected areas (Kamaishi City and Ofunato City in Iwate Prefecture), where they distributed free functional innerwear  
Held a fair to sell food products from Tohoku and Kanto regions (Osaka Head Office, in cooperation with Dainippon Sumitomo Pharma)
- December** Dispatched employee volunteers to affected areas (Kamaishi City and Ofunato City in Iwate Prefecture), where they distributed free functional innerwear  
Held a fair to sell food products from Tohoku and Kanto regions (Osaka Works, in cooperation with Dainippon Sumitomo Pharma)  
Participated in the Tohoku Cotton Project

#### 2012

- March** Donated money collected under the company cafeteria meal program to a scholarship fund established by Iwate Prefecture for children who lost parents in the disaster
- April** Provided students from affected areas with scholarships  
Held a fair to sell food products from Tohoku and Kanto regions (Head Offices in Tokyo and Osaka, in cooperation with Sumitomo Electric Industries)

### Donation of money and relief goods

For the emergency relief of victims and the restoration of affected areas, Sumitomo Chemical donated 300 million yen to the Central Community Chest of Japan. The Company also collected donations from executives and employees and donated them (about nine million yen) to the affected areas (Miyagi, Iwate, and Fukushima Prefectures) and to employees who had suffered direct damage due to the earthquake. We also donated relief goods such as blankets and daily use goods to the areas via an NGO (World Vision Japan) and Nippon Keidanren (Japan Business Federation). Moreover, as the Sumitomo Chemical Group, we donated a total of about 500

million yen in cash and in-kind relief.



Relief goods donated by Sumitomo Chemical delivered to an affected area

### Serving "Tohoku and Kanto support meals" in our cafeterias

To support people engaged in agriculture and fisheries in the Tohoku and Kanto regions who suffered damage from the earthquake and are suffering from harmful rumors concerning radiation, meals made using ingredients produced in the Tohoku and Kanto regions are served in our cafeterias. At the end of March 2012, a portion of sales from these meals, along with a matched contribution by the Company totaling approximately 3.5 million yen, was donated to a scholarship fund established by Iwate Prefecture to support children who lost their parents due to the tsunami on March 11 until they become full-fledged members of society. We will continue serving the "Tohoku and Kanto support meals."



A Tohoku and Kanto support meal served at the Tokyo Head Office



### Holding fairs to support affected areas

Since April 2011, we have been holding fairs to sell agricultural, marine and processed food from the Tohoku and Kanto regions. The Tokyo Head Office held a total of three such fairs independently and in cooperation with three neighboring companies (and with the participation of local residents) in fiscal 2011. Also, the Osaka Head Office and Osaka Works held three fairs independently and in collaboration with Dainippon Sumitomo Pharma. We will continue to hold such fairs from fiscal 2012 onwards.



Food fair held at the Tokyo Head Office (left) and in Osaka Works (right)

### Participating in the Tohoku Cotton Project

Sumitomo Chemical is participating in the Tohoku Cotton Project as one of the supporting companies. Under this project, farmers cultivate cotton in paddy fields that were devastated by the tsunami, and participating companies jointly engage in spinning, commercializing and marketing the cotton.

The project is designed to support affected areas on a continuous basis by facilitating the resumption of agricultural activities and creating local employment through the cultivation of highly salt-resistant cotton. Participating farmers and spinning/apparel companies will cooperate together on the cultivation and harvesting of the cotton through to the marketing of products made with the harvested cotton under the Tohoku Cotton Project brand name.

Sumitomo Chemical will utilize both its products and its long-accumulated chemical industry know-how to make proposals for the removal of harmful insects and weeds and to obtain pesticide registration as required for the cultivation of cotton. In this capacity we will thereby contribute to the project.

### Support against insect pests

In July 2011, we donated our insecticides (SUMITHION™ and SUMILARV™) to areas suffering damage from insect pests such as from fly infestations, through local governments (12 municipalities in Iwate and Miyagi Prefectures).



Promoting the use of insecticides

Vice President Takao (left) presents a donation certificate to Manager Shida of the Life and Welfare Division, Ofunato City Government, in the City Government Office.

### Providing students from affected areas with scholarships

Sumitomo Chemical provides scholarships to students from affected areas who are slated to enter university in April 2012 to financially support their university endeavors and to prevent the loss of educational opportunities resulting from the disaster. We provided the scholarships through the BEYOND Tomorrow education support project managed by the Global Fund for Education Assistance.

#### Sumitomo Chemical's insecticides donated to affected areas

SUMITHION™ and SUMILARV™ are insecticides used to prevent pest infestations. SUMITHION™ is intended for larvae as well as adult flies and mosquitoes, while SUMILARV™ is specific for larvae.



SUMITHION™



SUMILARV™

# Topics of Activities

## Economic Activities

### Building an Aluminum Titanate DPF Plant in Poland

Sumitomo Chemical is building a new plant to produce aluminum titanate diesel particulate filters (DPFs) within the premises of Sumika Ceramics Poland, which was established in September 2011 as one of the Company's subsidiaries. The plant is scheduled to begin operations in the third quarter of 2013.

Sumitomo Chemical's aluminum titanate DPF outperforms the current mainstream silicon carbide DPFs in various properties such as soot mass limit\*1 and thermal shock resistance\*2. Since the Company successfully developed this proprietary aluminum titanate DPF in 2009, it has steadily advanced commercialization efforts by providing samples to automobile manufacturers and initiating construction of a mother plant at the Ehime Works in Japan with an annual production capacity of 170,000 units. Given that the Company's DPFs have already received a high assessment in evaluation testing by automobile manufacturers and initiating construction of a mother plant at the Ehime Works in Japan with an annual production capacity of 170,000 units. Given that the Company's DPFs have already received a high assessment in evaluation testing by automobile manufacturers, Sumitomo Chemical plans to build the new plant in Poland and embark on full-scale sales in early 2014 in the European market where demand is expected to expand.



Diesel particulate filter (DPF) for exclusive use in diesel powered vehicles

\*1. The amount of soot that can be continuously filtered

\*2. The DPF's ability to withstand sudden changes in temperature when it undergoes regeneration through incineration of the trapped soot

### Enhancing the Polypropylene Compound Business in China

Sumitomo Chemical newly established its bases for polypropylene (PP) compounds in Northern and Northeastern China.

PP compounds are high-performance materials made by kneading PP with synthetic rubber and inorganic fillers to improve such parameters as impact resistance and rigidity in accordance with their use for applications such as automobile bumpers and interiors. Demand for such materials has been increasing year after year.

In China, which has become the world's largest automobile market, Sumitomo Chemical has been expanding its PP compound business mainly through Zhuhai Sumika Polymer Compounds Co., Ltd. established in the city of Zhuhai, Guangdong Province. In August 2011, we newly established Jilin Dongcheng Sumika Polymer Compounds Co., Ltd. in the suburbs of Changchun, Jilin Province and subsequently in September established Sumika Polymer Compounds Dalian Co., Ltd. in the city of Dalian, Liaoning Province. At present, we thus have three PP com-

pound bases in China from which we will further expand the business across the country.



Groundbreaking ceremony for the PP compound manufacturing base in Dalian, China

### Starting Construction of Manufacturing Facility for Next-Generation Touchscreen Panels in South Korea

Sumitomo Chemical constructed a new manufacturing facility for next-generation touchscreen panels on the site of Dongwoo Fine-Chem Co., Ltd. the Company's Korean base of operations for electronic materials.

Touchscreen panels constitute a vital component that determines display functionality in devices such as smart phones and tablet computers, which have come into widespread use in recent years. In addition to existing applications, touchscreens are expected to find applications in a wide range of devices such as electronic blackboards, slate devices used in education, and navigation displays.

The touchscreen panels manufactured by Sumitomo Chemical are next-generation panels used in organic LED (OLED) display panels, which have won praise for their clarity of image, convenience in operation and other fine qualities.

Samsung Mobile Display, which will be the major customer for Sumitomo Chemical's touchscreen panels, is the global leader in small- and medium-size devices using small-molecule organic LEDs (SMOLEDs). Working in collaboration with Samsung, we aim to establish a high standard of touchscreen panel manufacturing technologies.

We are also focusing development efforts on polymer organic LED (PLED) materials, which are expected to find applications in large-screen TVs, and are setting our sights on the future development of large-screen PLED touchscreen panels as we seek to expand our business further.

### Establishing New Equipment for Herbicide Flumioxazin in the Oita Works

Sumitomo Chemical constructed a new production line at a facility for its herbicide flumioxazin (branded Sumisoya in Japan) at its Oita Works to meet the increasing demand for this product. The expanded production is expected to boost sales of flumioxazin and derivative products by several tens of bil-

lions of yen per year.

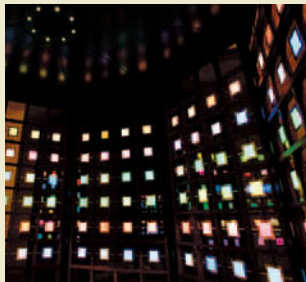
Flumioxazin is an herbicide used in the cultivation mainly of soy beans, cotton, and sugar cane. It demonstrates long-lasting efficacy in suppressing the growth of weeds after spraying as well as efficacy in promoting early-stage growth of crops. Flumioxazin is also effective against weeds resistant to glyphosate, an herbicide widely used around the world, and this increases demand for flumioxazin.

Life sciences is one of Sumitomo Chemical's areas of focus, and it has worked to enlarge and strengthen its agrochemical business. The current capacity expansion for flumioxazin is part of this endeavor. We will continue to contribute to the improvement of agricultural crop productivity through our agrochemical business as we continue to expand our business globally.

### Participating in Light+Building 2012 with the World's First\* 60-Color Polymer OLED Lighting

Sumitomo Chemical exhibited its polymer OLED lighting in Light+Building 2012, one of the world's largest trade fairs for lighting and building technology. The exhibition was held in Frankfurt, Germany in April 2012. We displayed large-scale lighting panels of about 10 centimeters square each, which were produced by coating everything except for electrodes and illuminating in 60 different colors for the first time in the world.\*

We invited the world-renowned Japanese lighting designer Motoko Ishii as the art director for the polymer OLED lighting, and the lighting panels were displayed on the theme "The Colors of Japan—The Colors of Harmony" in an innovative attempt to replicate, by means of lighting, the elegant and refined colors of ancient Japan in a modern day setting of a Japanese traditional tearoom by using the world's most advanced polymer OLED technology.



Inside illumination of a Japanese traditional tearoom set up at Light+Building 2012

\*Surveyed by Sumitomo Chemical in January 2012. The panels are (1) the world's first organic LED large lighting panels produced by coating everything except for electrodes and (2) the world's first illumination of panels in 60 colors, achieved using this coating technology.

#### Features of Sumitomo Chemical's Polymer OLED lighting technology:

Low-cost fabrication through an advanced printing process/Can be produced with a single printing for any kind of emission color/Enables a wide range of lighting colors, from natural light that closely resembles sunlight, to design-friendly neutral colors/Thin surface light source/Easy-to-view light wavelength/Mercury-free and environment-friendly

### Establishing Sunrise Farm Saijo in Saijo City, Ehime Prefecture

Sumitomo Chemical established Sunrise Farm Saijo as a joint

venture with Saijo Industry & Information Centre for Support and JA Saijo, a local agricultural cooperative, in August 2011. In October of the same year, Mitsubishi Heavy Industries Ltd. and Panasonic Corp. also made investments in the new company. This company will play a central role in revitalizing local agriculture under the agricultural innovation project implemented in Saijo City. The project is one of 11 Future City Model Projects implemented across Japan under the leadership of Keidanren.

The Sumitomo Chemical Group is dealing with a range of agricultural products and services and is conducting business as a "total solution provider" to comprehensively support safe and efficient agriculture. We will share the expertise and know-how we have accumulated in the business with people engaged in agriculture in Saijo, thereby contributing to the development of local agriculture in the city.

Saijo City, where the project is currently underway, was designated as a special zone for regional revitalization by the Japanese government in December 2011. By designating special zones and providing financial support and preferential taxation to the zones in a comprehensive manner while lifting related regulations, the government aims to enhance Japan's international competitiveness and accelerate regional revitalization. While taking advantage of the special zone scheme, the new company will conduct demonstrative tests on innovative agricultural technologies and make use of the test results to widely contribute to the recovery of areas afflicted by the Great East Japan Earthquake and to the revitalization of agriculture both in Japan and overseas.



Opening ceremony held at Sunrise Farm Saijo

## Responsible Care Activities

### Making Eco-First Commitments (Updated Version) to the Minister of the Environment

At the follow-up meeting of Eco-First companies held by the Japanese Ministry of the Environment in March 2012, Sumitomo Chemical reported on progress in the fulfillment of its Eco-First Commitments and related achievements to the Minister of the Environment, and also made its Eco-First Commitments (Updated Version) to the Minister (see CSR Report 2012, page 58).

The Eco-First program was launched in April 2008 by the Ministry of the Environment to urge companies leading industries in the field of environmental protection to conduct a larger



## Topics of Activities



Minister of the Environment Hosono (left) and President Tokura at the follow-up meeting of the Eco-First Commitments held on Mar. 22, 2012

number of Responsible Care Activities. Under the program, companies make commitments to the Minister of the Environment for implementing advanced and unique initiatives that impart excellent ripple effects toward environmental protection.

In November 2008, Sumitomo Chemical became the first general chemical company to be certified as an Eco-First company, and the aforementioned follow-up meeting was held as the first of those to be scheduled after the Ministry introduced an "effective period"<sup>\*1</sup> to the Eco-First Commitments in September 2010. Sumitomo Chemical makes commitments in three areas: "management of chemical substances," "preventing global warming," and "creation of a recycling-based society." In the Updated Version of the Commitments, we set new numerical targets for the items for which we had attained our initial targets.

Sumitomo Chemical will continue to lead the world's chemical industry, conducting Responsible Care activities proactively and making further contributions to solutions for global environmental problems.

\*1. Effective period of Eco-First Commitments: The Ministry of the Environment checks the details of the commitments every five years to ensure that companies fulfill them.

### Enhancing Functions and Making More Effective Use of SuCCESS

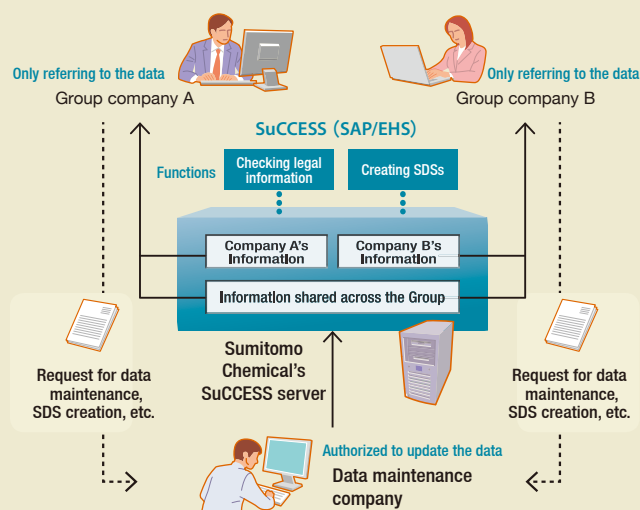
Sumitomo Chemical developed the Sumitomo Chemical Comprehensive Environmental, Health & Safety Management System (SuCCESS) to manage and effectively use chemical safety information. We are using this system to respond to customer inquiries concerning substances contained in our products, to identify our products that contain regulated substances promptly and precisely, and prepare GHS<sup>\*2</sup>-compliant SDSs<sup>\*3</sup>.

Information about the compositions of all the products, intermediates, and materials treated by Sumitomo Chemical, as well as about the laws and regulations on chemical substances are stored in the SuCCESS, and in fiscal 2012, we will carry out examinations for the introduction of the substance volume tracking (SVT) function to increase the operational efficiency of the system by automating the manual tabulation work.

In the future, we will proactively foster the use of SuCCESS by Sumitomo Chemical Group companies to help them manage chemicals more efficiently, thereby achieving cost reduction over the entire Group.

\*2. Globally Harmonized System of Classification and Labelling of Chemicals (GHS): Globally harmonized system that establishes a set of criteria for classifying and labelling chemicals according to their hazards

\*3. Safety Data Sheet (SDS): A document that describes information necessary for the safe handling of chemical products (properties, handling methods, safety measure, etc.)



Use of SuCCESS by Group companies (conceptual image)

## Social Activities

### Support to Victims of the Flooding in Thailand

In response to the flooding in Thailand that occurred in October 2011, Sumitomo Chemical donated 30 million yen to support the victims, who urgently required food, water, emergency toilets and other goods, through the NPO named World Vision Japan.

As additional support, we also donated 6,000 Olyset™ Net insecticidal mosquito nets (see CSR Report 2012, page 30) to the Thai Ministry of Public Health, in response to requests from areas facing increased risk of infectious diseases such as mosquitoes that transmit malaria. This is due to many water puddles where mosquitoes can lay more eggs.



### Proactively Participating in the Projects to Celebrate the 40th Anniversary of the Normalization of Diplomatic Relations between Japan and China

In 2012, we celebrate the 40th anniversary of the normalization of Japan-China diplomatic relations. Taking this opportunity to further enhance bilateral friendship and relations, Japan, in a country-wide effort, will hold a range of commemorative events under the leadership of the Executive Committee for 2012 Friendship Year for Japan-China People-To-People Exchanges established jointly by the public and private sectors. A number of exchange projects will be made to celebrate the anniversary, including student exchanges, grass-roots exchanges, cultural and sports exchanges, and exchanges through sight-seeing tours.

Sumitomo Chemical is one of the main members of the Executive Committee and has established a group to foster these projects to celebrate the anniversary under its CSR Office.

#### Participating in the events held in Dalian, China to celebrate the 40th anniversary

On May 12, 2012 in Dalian, Sumitomo Chemical attended a Japan-China economic development seminar, an exchange reception, and an exhibition featuring photos taken by Japanese and Chinese photographers.

In the economic development seminar, both Japanese and Chinese experts made speeches on the prospects of the Japanese and Chinese economy and on recycling and environmental businesses, which was followed by exchanges between Japanese and Chinese participants at an exchange reception. Also, in the photo exhibition held concurrently with the seminar, Chinese representative displayed photos depicting the growth history of Japanese companies operating in Dalian, while Japanese representative displayed photos of the Great East Japan Earthquake. In the exhibition, photos showing disaster recovery support activities conducted by Sumitomo Chemical were also introduced.



Exhibition of photos taken by Japanese and Chinese photographers

#### Support to Peking University Law School and Shanghai Jiao Tong University

Sumitomo Chemical has been providing support to Peking University Law School, which plays a central role in the revision and development of China's law system, as well as to Shanghai Jiao Tong University, which is conducting most advanced research on corporate legal affairs in China, believing that academic development in the legal field will help China achieve

sustainable economic growth.

In fiscal 2011, we made donations to Peking University Law School and Shanghai Jiao Tong University. To Peking University Law School, a fund was established to support the faculty to strengthen current teaching system and to Shanghai Jiao Tong University, a donation was made for the publication of a specialized journal on corporate law.

#### Concluding an internship agreement with Beijing Jiaotong University and Dalian University of Foreign Languages

Sumitomo Chemical concluded an internship agreement with Beijing Jiaotong University on April 28, 2012, and with Dalian University of Foreign Languages on May 11, 2012.

We have been accepting students of leading Chinese universities as interns to provide them with opportunities to deepen their understanding of Japan and of the activities of Japanese companies, to broaden their view, and to think about their future jobs and careers. In fiscal 2011, we accepted a total of 33 students from six Chinese universities as interns, including Peking University and Shanghai Jiao Tong University. Some past interns later joined our company after knowing more about our business and operations through the internship program.

#### Receiving a special citation award in recognition of support of OISCA's planting activities

On October 7, 2011, the Sumitomo Chemical Group, together with Sumitomo Chemical's Workers' Union, received a special citation award from OISCA at the ceremony celebrating the 50th anniversary of the organization's founding. This was held in the presence of Their Majesties the Emperor and Empress of Japan. As one of its activities to conserve biodiversity and prevent global warming, Sumitomo Chemical has been supporting the tree planting activities of OISCA in Thailand and other countries since fiscal 2007 under the Matching Gift program implemented jointly by the Company and the Workers' Union, and receiving support from other Group companies (see CSR Report 2012, page 72). Using part of the collected money, in fiscal 2008, we began the "Sumitomo Chemical's forest" activity (mangrove tree planting activity) in Ranong Province located in the southern part of Thailand, and have been dispatching employees as volunteers to the planting site. OISCA granted the award in recognition of these efforts.



President Okajima of the Workers' Union, Executive Vice President Takao, and other members received the award at a ceremony held to celebrate the 50th anniversary of OISCA

 **SUMITOMO CHEMICAL COMPANY, LIMITED**

**CSR Office**

Tokyo Sumitomo Twin Building (East)  
2-27-1 Shinkawa, Chuo-ku,  
Tokyo 104-8260, Japan  
Tel: +81-3-5543-5107  
Fax: +81-3-5543-5814



This Report is printed with vegetable oil ink, an environmental ink made with vegetable oil instead of petroleum-derived solvents. This minimizes the generation of volatile organic compounds (VOCs), and helps conserve precious petroleum resources.



Printed on Forest Stewardship Council (FSC)-certified paper that contains materials sourced from well-managed forests.