

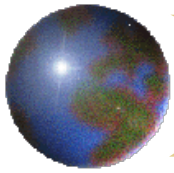
Business Strategy of the Health & Crop Sciences Sector

Ray Nishimoto

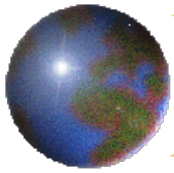
Director & Managing Executive Officer

Sumitomo Chemical

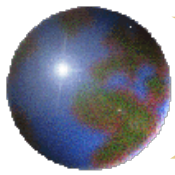
September 19, 2014



1. Overview of the Health & Crop Sciences Sector
2. Global Trends in Agriculture
3. Global Strategy for Agriculture related business
 - (1) Expand Overseas Business
 - (2) Expand Domestic Business
4. Long-term Prospects



1. Overview of the Health & Crop Sciences Sector



Overview of Health & Crop Sciences Sector's Business

- **Crop Protection Business**

- Chemical and Biorational products
- Fertilizers
- Variety of Agricultural Material

- **Environmental Health Business**

- Household insecticides • PCO (Pest Control Operation)
- Moth proofers, termite control agents
- Animal Health Products

- **Vector Control Business**

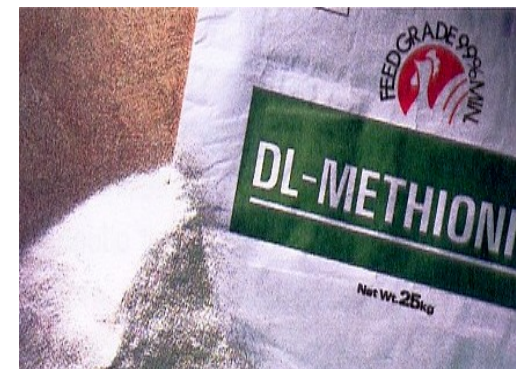
- Products for Control of Infectious Diseases Such as OLYSET Net

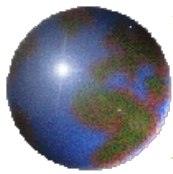
- **Animal Nutrition Business**

- Feed Additives
 - Methionine (Essential amino acid feed additives)

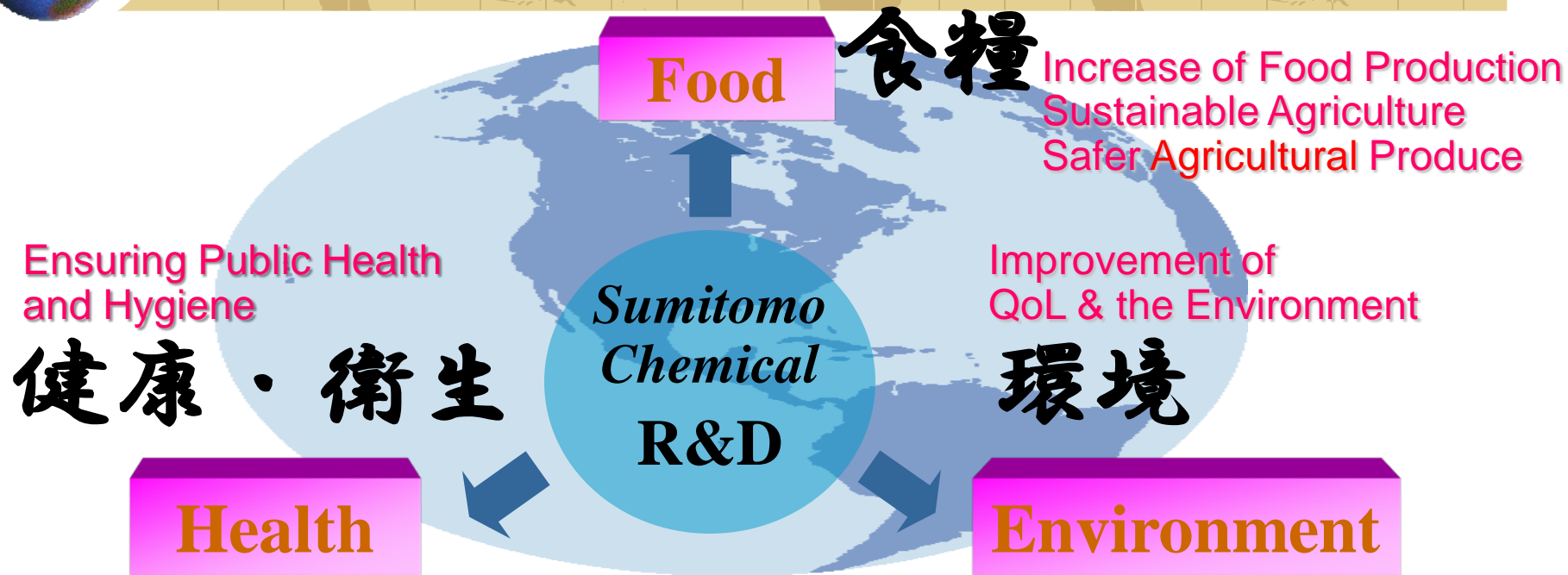
- **Pharmaceutical Business**

- Active Pharmaceutical Ingredients (APIs), Intermediates.





Long-Term vision of the Health & Crop Sciences Sector



Strengthen high-profitability businesses
Expand business globally
Ensure compliance & maintain safe operations

Differentiation

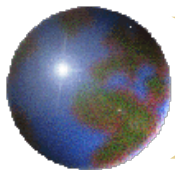
Differentiate our business from multinational and generic competitors

Business Creation

Expand brand-name products business/Expand into downstream and related areas/Expand sales area to Central Europe and South America

Innovation

R&D of compounds in pipeline/Expand sales of new products/Accelerate launch of new products/Strengthen intellectual property strategy/Establish a global research system/Establish global optimum production systems/Reduce SCM and all other costs/Improve asset efficiency



Characteristics of the Health & Crop Sciences Sector

Features and advantages

- Strong R&D capabilities and robust product pipeline
- Product lines differentiated from major competitors
- Products with largest market share in Japan*¹ and with large global market shares*²
- Global sales network

*¹ Crop protection chemicals, pharmaceutical chemicals and others

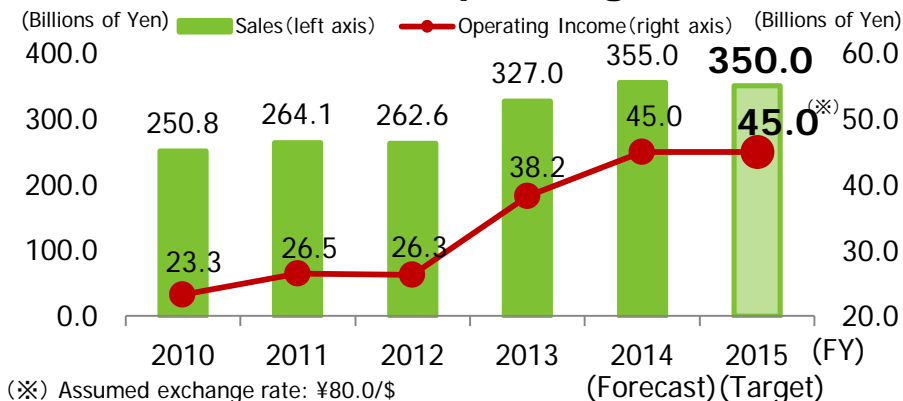
*² Household insecticide, methionine and others

Future growth drivers

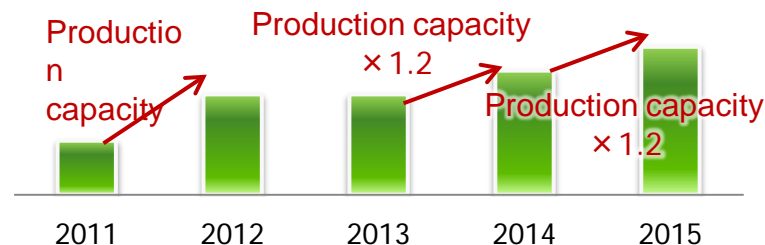
- Achieve greater synergy*¹
- Expand into new business areas
- Enhance business in niche areas
- Continuously launch new products

*¹ Expand alliance with Monsanto and other partners and achieve greater synergy with Nufarm

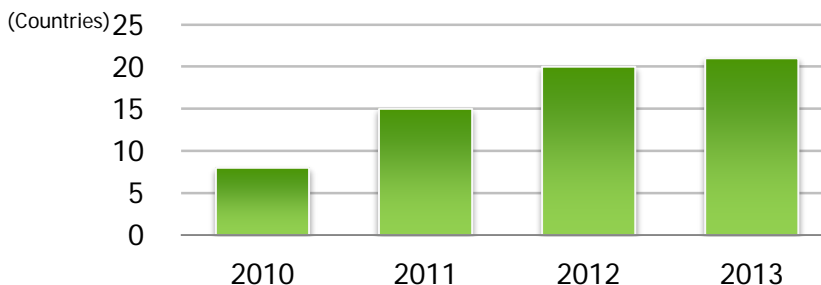
Trends in Sales and Operating Income

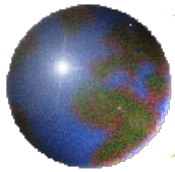


Flumioxazin Herbicide Production Capacity



Number of Countries in which Sumitomo Chemical has formed Sales Alliance with Nufarm



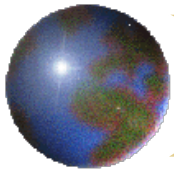


Current situation and forecast for FY2014

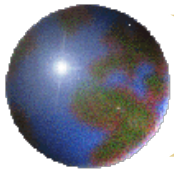
<Net sales and Operating income in the Health & Crop Sciences Sector>

(Billions of yen)

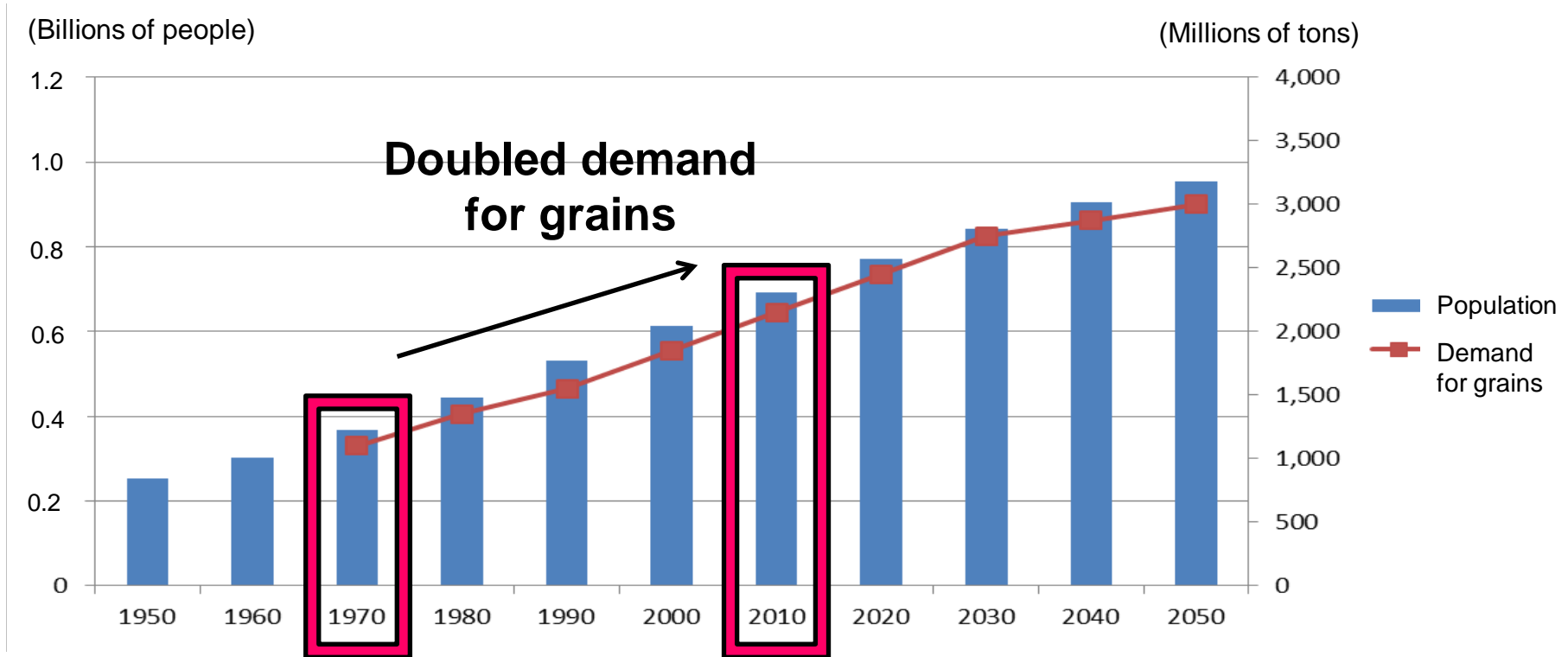
	FY2013 1st Quarter (Actual)	FY2013 YTD (Actual)	FY2014 1st Quarter (Actual)	FY2014 YTD (Forecast)
Net Sales	76.0	327.0	77.4	355.0
Operating Income	8.1	38.2	5.9	45.0



2. Global Trends in Agriculture related business

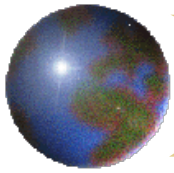


World Population and Demand for Grains



- ◆ The world population is expected to grow from the current 7.2 billion to 9.3 billion by 2050.
- ◆ Grain production has been doubled between 1970 and 2010, becoming 2.2 billion ton.

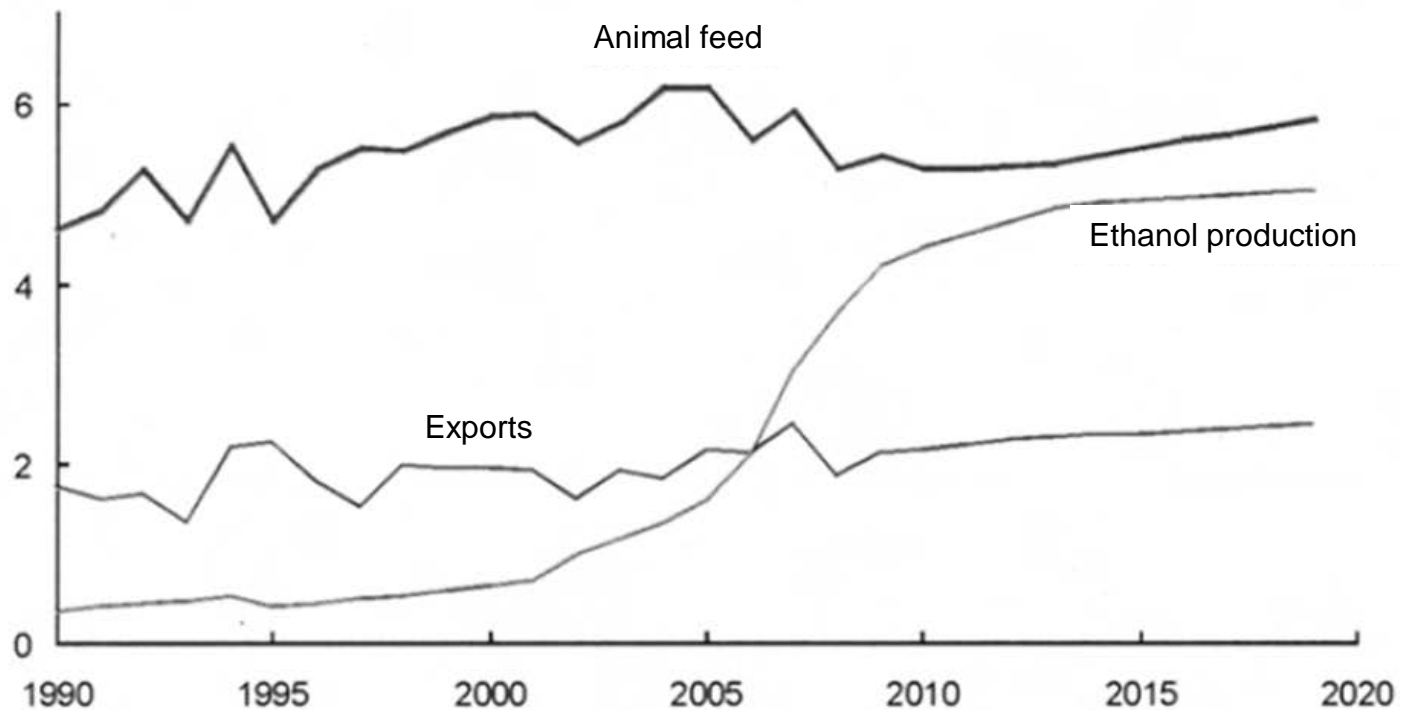
Source: FAO, "World agriculture: towards 2030/50"; UN Population Fund



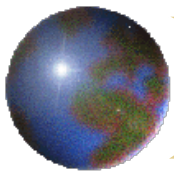
Increase of Bioethanol production in U.S.

Corn Demand by Usage

(Billions of bushels)

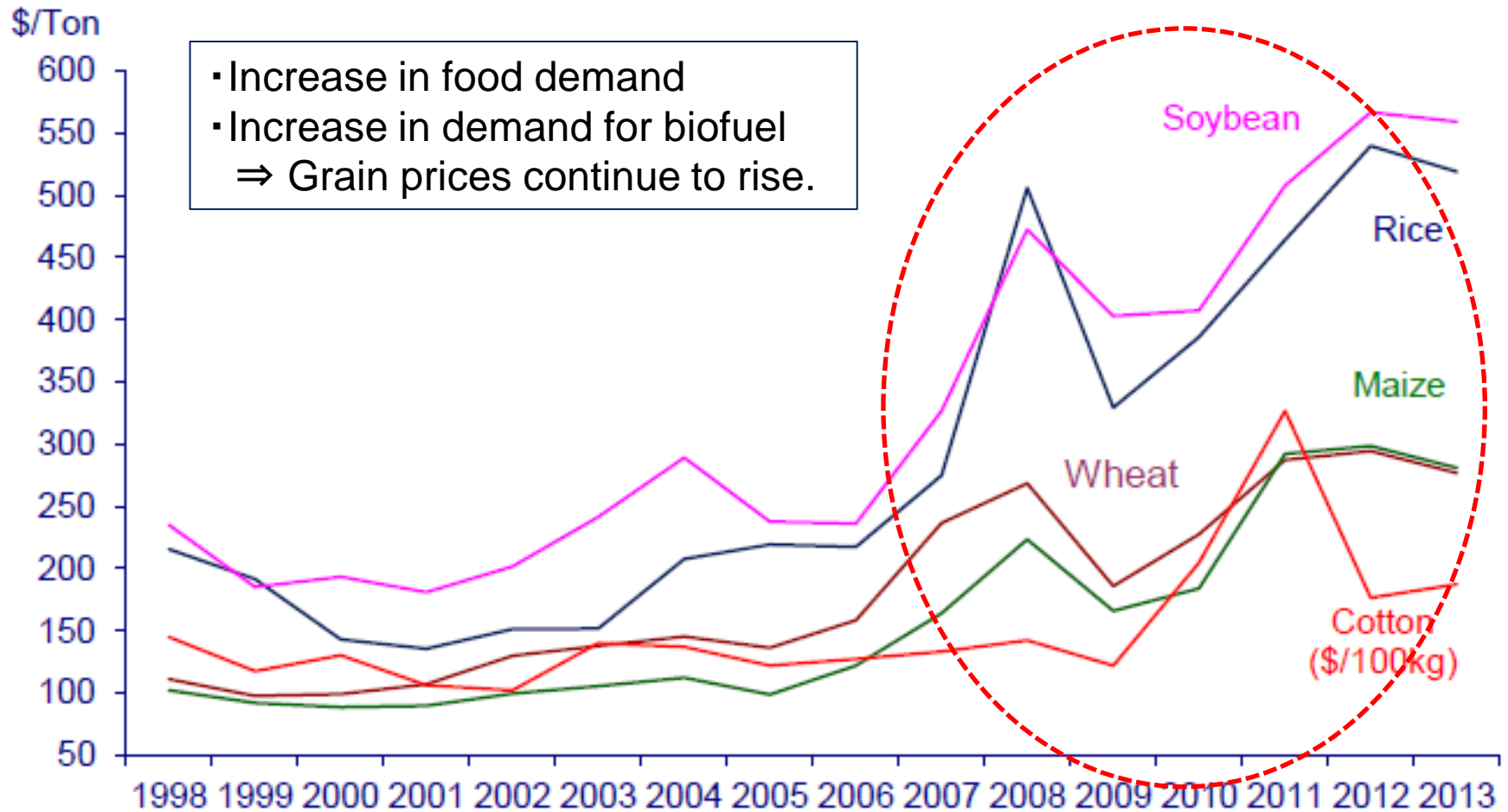


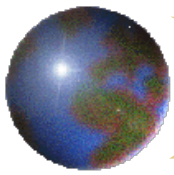
◆ **Corn demand for bioethanol production is expected to surge from the late 2000s**



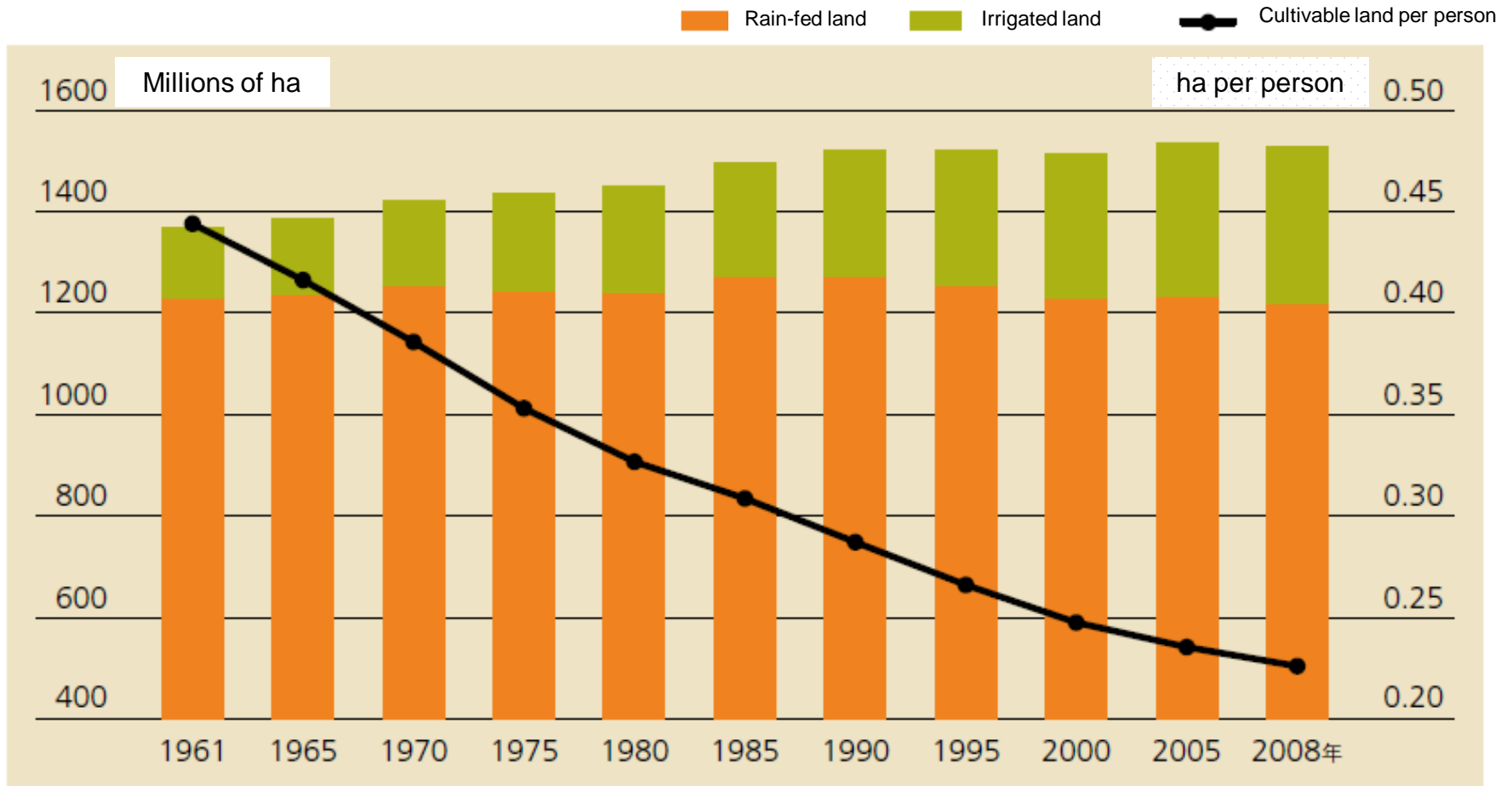
Grain Prices (1998~2013)

Annual Average



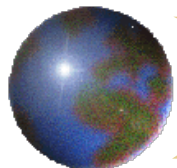


World total cultivated area and cultivated area per Person



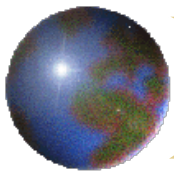
Source : FAO (2010b)

- ◆ The world's cultivated area has little increased.
- ◆ Cultivated area per person has continued to decrease due to population growth



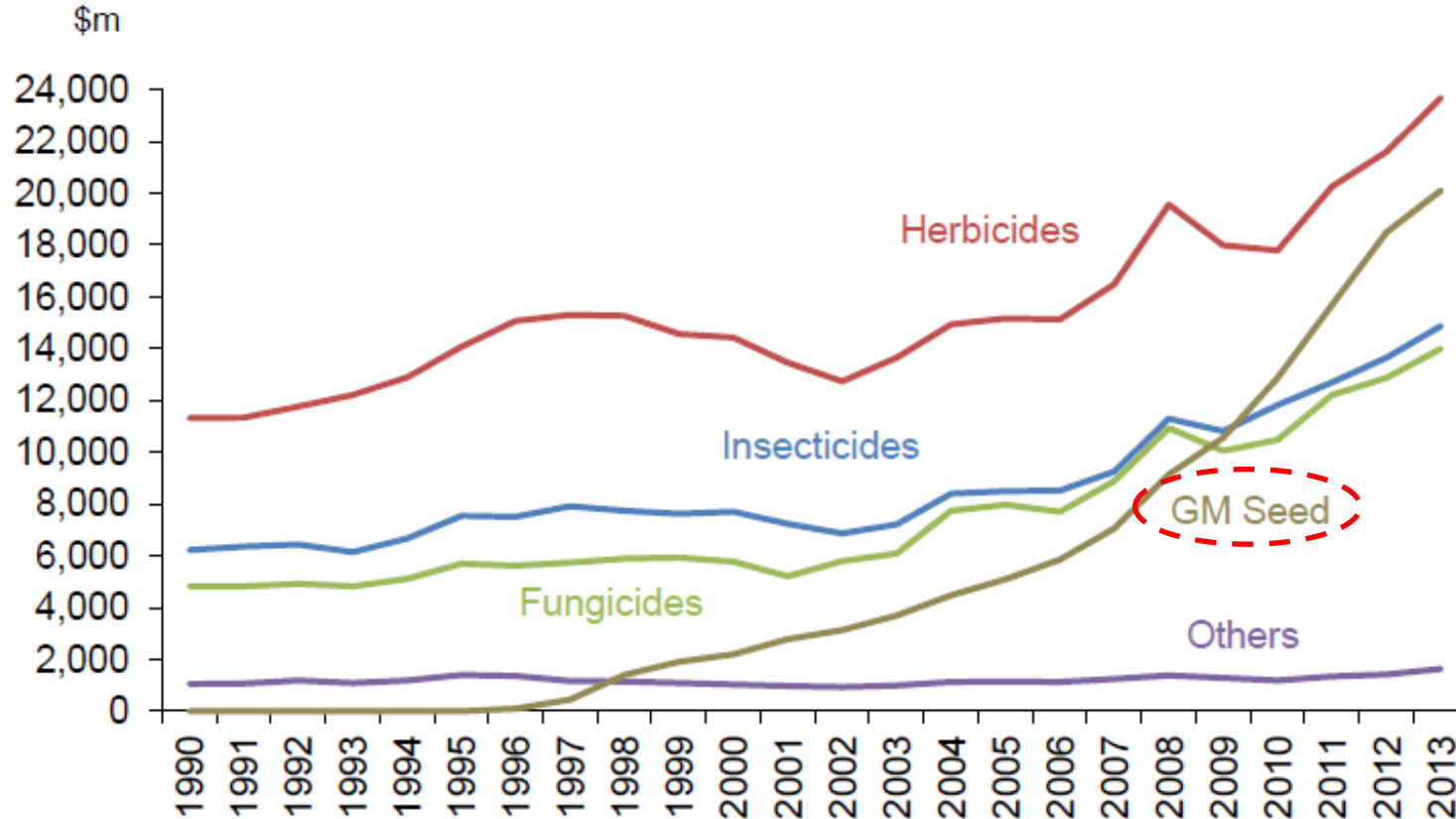
Agrochemical Market Size by Country (excluding genetically modified crops)

	2008 (\$m.)	2013 (\$m.)	2013/2008 (%p.a.)	2018 (\$m.)	2018/2013 (%p.a.)
Brazil	5,932	10,013	11.0	11,078	2.0
USA	6,585	7,387	2.3	7,581	0.5
China	3,191	4,831	8.6	6,140	4.9
Japan	3,177	3,389	1.3	3,534	0.8
France	3,224	2,857	-2.4	2,934	0.5
Germany	2,016	2,121	1.0	2,191	0.7
Canada	1,326	1,967	8.2	2,066	1.0
Argentina	1,026	1,747	11.2	1,974	2.5
India	1,437	1,732	3.8	2,105	4.0
Italy	1,172	1,303	2.1	1,377	1.1
Australia	1,143	1,107	-0.6	1,556	7.0
Spain	937	996	1.2	1,049	1.0
Total	43,187	54,208	4.7	61,506	2.6

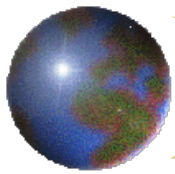


Expansion of the GM seed market

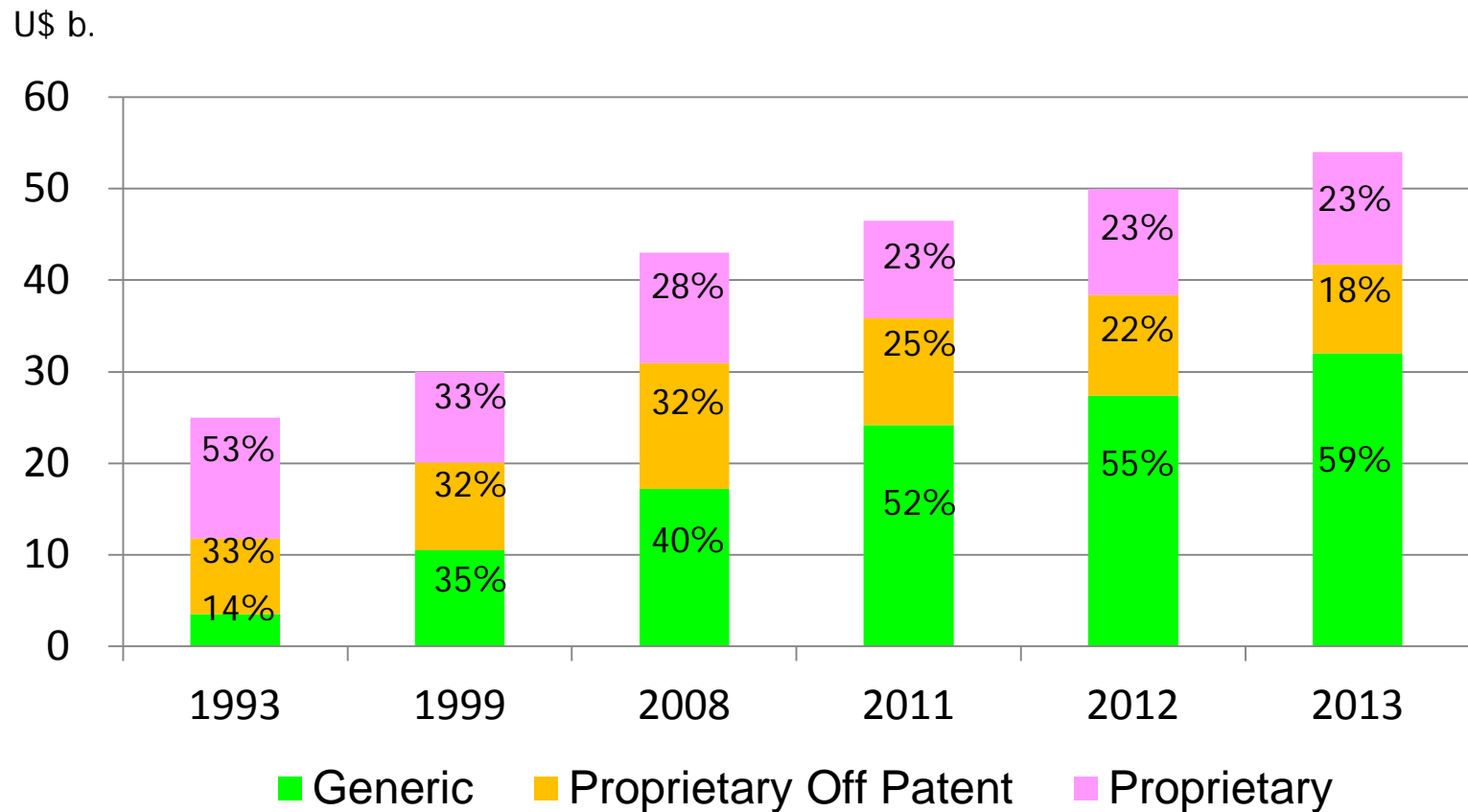
Crop Protection Product Sector Performance Since 1990

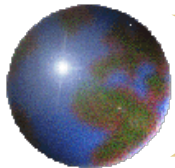


◆ The GM seed market has grown significantly, compared with other agrochemicals markets.



Expansion of the Off-Patent Agrochemical Market





Global Trends in Pesticide Regulation (1)

Europe

New regulation (Regulation 1107/2009, which took effect in June 2011)

- Cancellations of registration due to hazard-based cut-off criteria
- Decrease in registered products due to the strong tendency toward safer agrochemicals

Request for new data items (took effect in 2013)

- Increase in costs due to data requirements on additional toxicity, ecology, and fate of the environment

Pollinator issue (Restriction of the use of neonicotinoids in 2013)

- Growing concerns over not only neonicotinoids, but also all other agrochemicals
- Increase in data requirements to protect pollinators

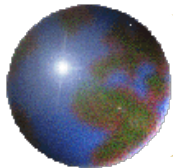
Endocrine disrupter issue (Direction to be determined after 2015)

- Concerns over cancellations and reduction of registrations due to additional registration criteria

Japan

Harmonization of regulations (global harmonization)

- Increase in costs due to revision of data requirements for pesticide residues in crops, such as compliance with GLP and an increase in necessary data
- Possible restrictions on use or additional data requirements due to the introduction of acute reference dose (ARfD)



Global Trend in Pesticide Regulation (2)

U.S.

Reregistration (Registration Review, since 2007)

- Reevaluation every 15 years based on the Food Quality Protection Act (FQPA)
- Additional data requirements on new items, which took effect in 2007, such as neurotoxicity, immunotoxicity, ecology, and fate of the environment
- Increase in lawsuits and difficulty in maintaining registration due to the Endangered Species Act (ESA)

Endocrine Disrupter Screening Program (EDSP)

- Tier I test orders were issued in 2009 for initial list of 67 chemicals, data currently under evaluation
- Second list of 134 chemicals was announced in November 2010, data requirements planned

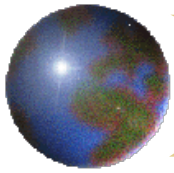
Bee/pollinator issue

- Requirement for a large amount of data mainly on neonicotinoid

Brazil

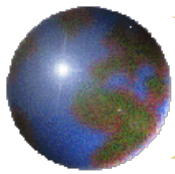
New draft regulations published for consultation (Public Consultation No.2, in 2011)

- The Brazilian Health Surveillance Agency (ANVISA) is considering introduction of cut-off criteria like that in Europe
- Very slow system for registration and approval (It takes at least four years to obtain approval)

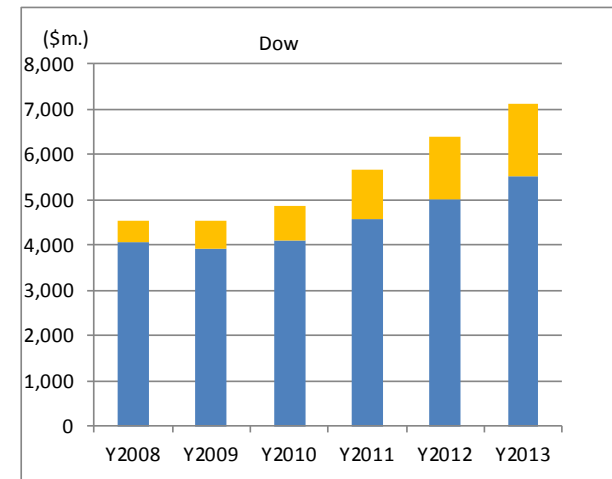
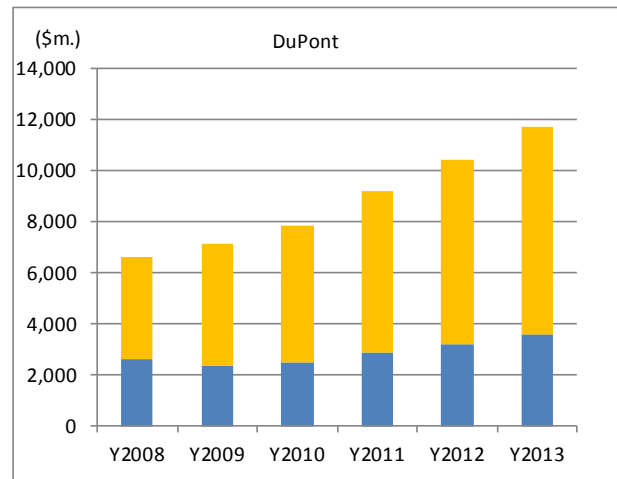
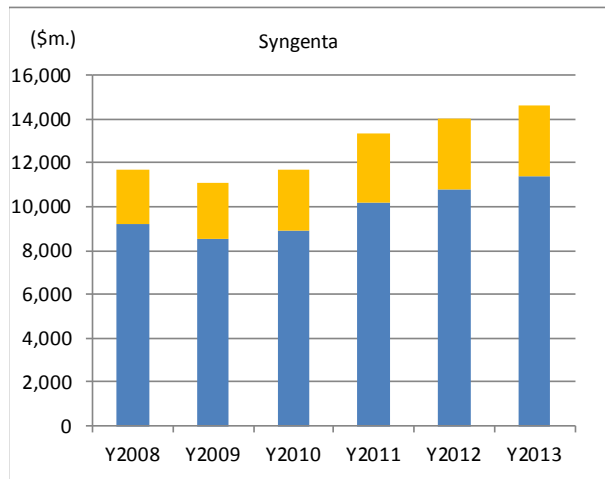
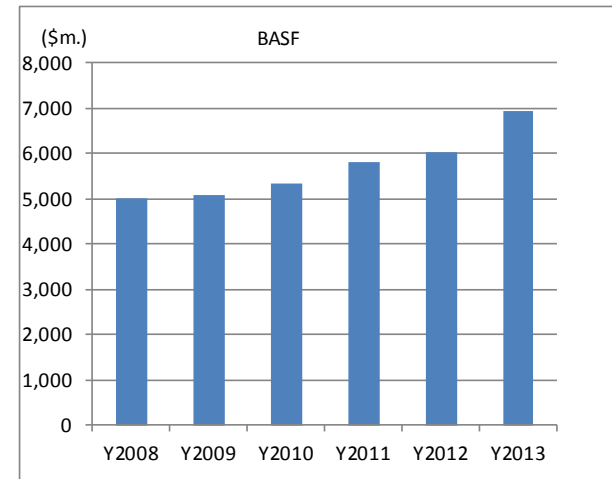
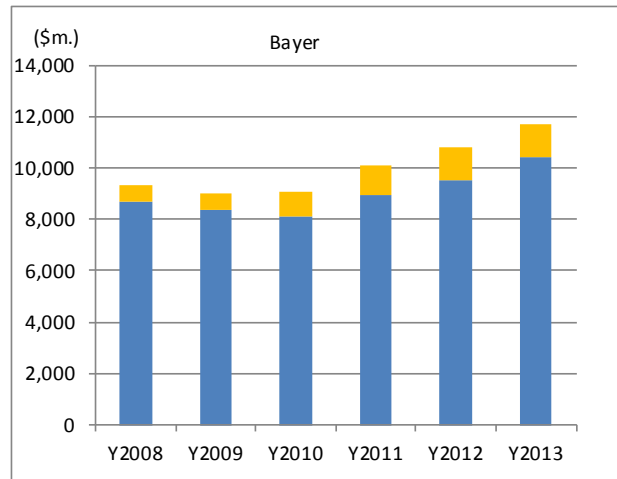
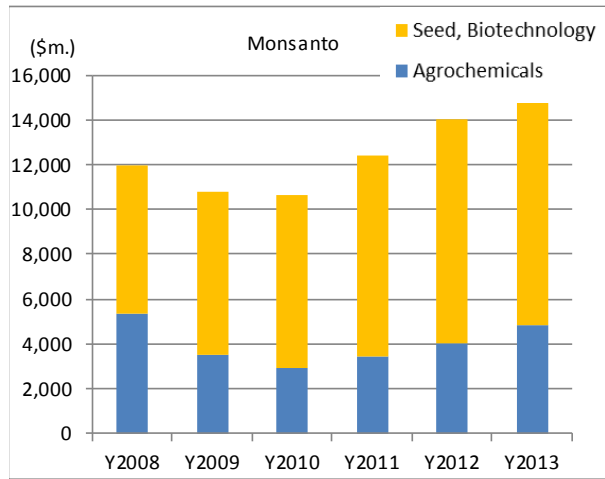


Long-Term Trends in Global Agribusiness Market

1. Agrochemicals : Stable annual growth rate of 2-3%
Factor: food production increase
biofuels increase
2. GMO crops (seeds) : Annual growth rate of about 10%
Factor: Business expansion of leading multinational firms
3. Generic agrochemicals : Annual growth rate of about 5%
Factor: Increased presence of off-patent products
Further growth of generic companies
4. Increase in cost of doing business due to tighter regulations

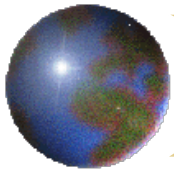


Trends of multi-national companies

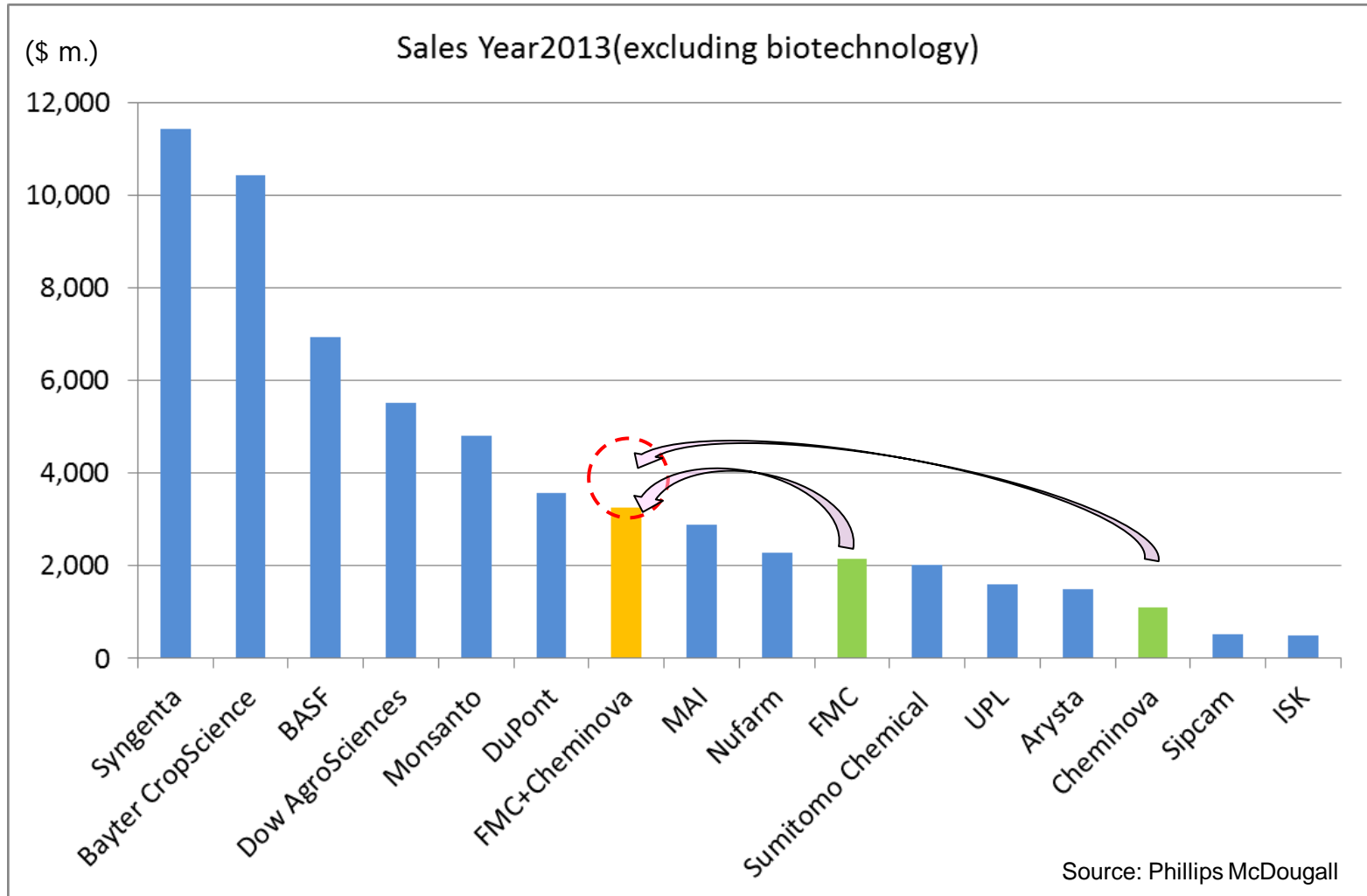


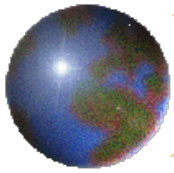
Source: Phillips McDougall

◆ Manufacturers of biotechnological products are expanding their biotechnology businesses.



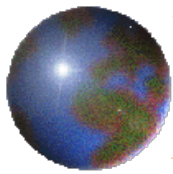
Sales of agrochemicals by Company (2013)





3. Global Strategy for the Agriculture related business

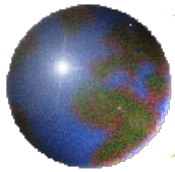
(1) Expand Overseas Business



Business Locations of the Health & Crop Sciences Sector

Sales & Marketing		36
Factory		6
Research		7





Key Strategies for Overseas Business

- ◆ Integration of traditional chemicals and bio-rational technology
- ◆ Create unique and innovative solutions

Under these policies, the following are key strategies for overseas business

1. Pursue synergies with Nufarm

Maximize synergy from wide - ranging cooperation in sales, manufacturing and R&D

2. Broaden alliance with major multi-national companies

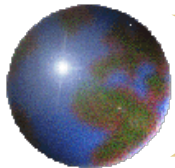
Expand sales of Flumioxazin by collaboration with Monsanto

3. Expand business domain

Expand into the seed treatment and postharvest business

4. Develop next-generation blockbuster products

Develop new products for future business



Aim of Alliance with Nufarm

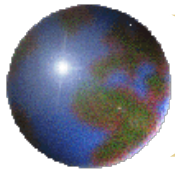


- Technological innovation for new active ingredients
- Strong direct sales channels in Japan, North America, India and Europe
- Bio-rational business
- Postharvest business
- Broad product lineup of fertilizers and agricultural supplies
- Agriculture (crop production)

- PLCM
- Promote differentiation by improvement of formulation and development of mixed formulation
- Application development capability
- Seed treatment business
- Capability to procure low-cost raw materials

- Strong direct sales channels in South America, Central and Eastern Europe, and Australia
- Access to off-patent active ingredients and know-how in development and registration
- Phenoxy and other herbicide business
- Seed business (canola, sorghum, sunflower)
- Know-how in the global supply chain network

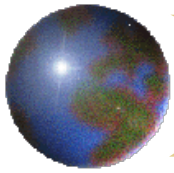
Drastically improve our company's position in the fast-growing food and agriculture-related market by supplementing and increasing each other's strengths



Pursue synergies with Nufarm

<Corporative Business with Nufarm>

Area	Overview	Short-Term	Medium-Term	Long-Term
Distribution	Distribution of Sumitomo's products through Nufarm's sales channels Distribution of Nufarm's products through Sumitomo's sales channels			
R&D	Blend formulations (Sumitomo's products + Nufarm's products) New formulation development Seeds and Seed treatment Registration Early stage evaluation of pipeline compounds			
Logistics	Shared warehousing and utilization of distribution networks & channels			
Sourcing/ Manufacturing	Manufacturing of active ingredients and intermediates Procurement of low-cost raw materials			



Current Business Alliance with Nufarm

Distribution

- **Distribution of Nufarm's products through Sumitomo's sales channels**

All products: Italy, Mexico

Some products : South Africa, Vietnam, Japan

- **Distribution of Sumitomo's products through Nufarm's sales channels**

All products: Canada

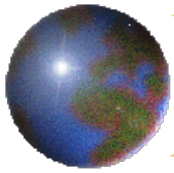
Some products : Brazil, etc.

- **Supply of Products**

Sumitomo Chemical and Nufarm have sales alliance in 21 countries

Others

- **Outsourcing production to Nufarm**
- **Utilization of distribution bases**



Future Business Alliance with Nufarm

Product development

Mixed formulation
New chemicals

- Development of mixed formulations by blending products of Sumitomo and Nufarm
- Sumitomo's products
- Cooperation in formulation technology

Distribution

- U.S. non-crop land : Distribution of Sumitomo's products through Nufarm (starting from February 2012).
- Europe : Consider sale arrangements in Western Europe.
- Paddy rice herbicide, Bromuconazole, etc.

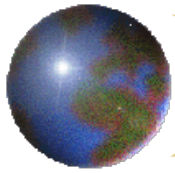
Others

- Business alliances by country and region,
Australia, China, Argentina, Turkey, Africa, etc.
- Business alliances by field
Postharvest, bio-rational, seed treatment

<Synergies>

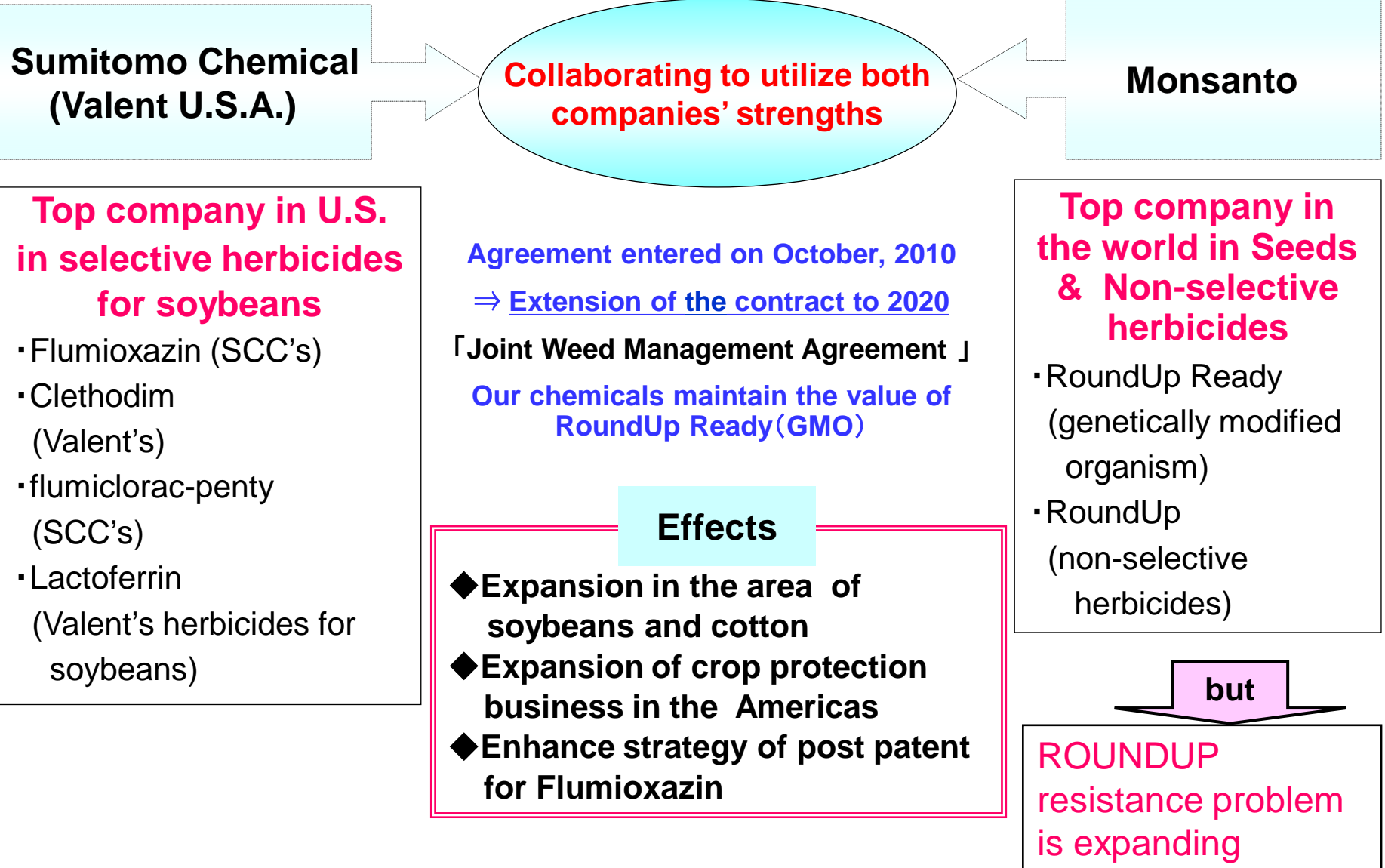
Achieved, approximately 5 billion yen per year so far, mainly in sales

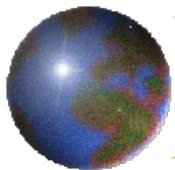
⇒ Aim for approximately 10 billion yen per year, including development and other operations



Expand strategic alliance with overseas major manufacturer

<Background and Effects of Collaboration with Monsanto





Expand Sales of Flumioxazin Herbicide

Expanding collaboration with Monsanto

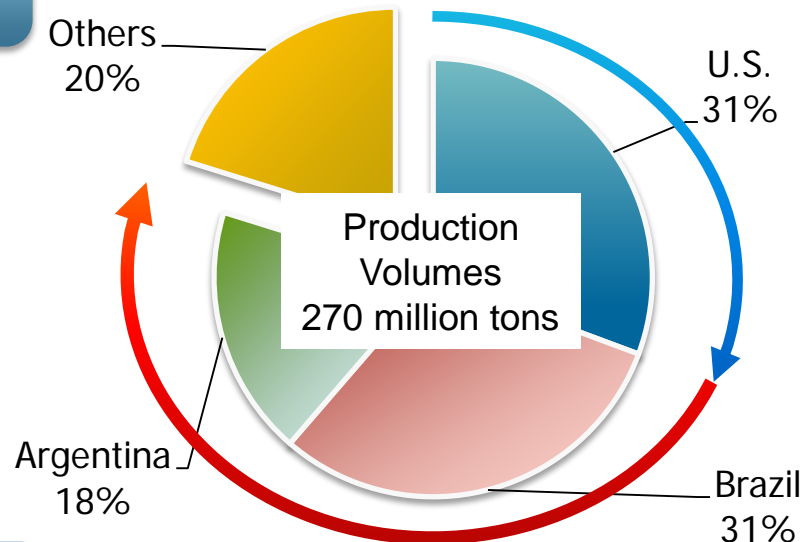
2010: Started collaboration in the U.S.

2013: Expanding collaboration into Brazil and Argentina



Expanding collaboration in these three markets, which produce 80% of the world soybean output

World Soybean Production (2012/2013)



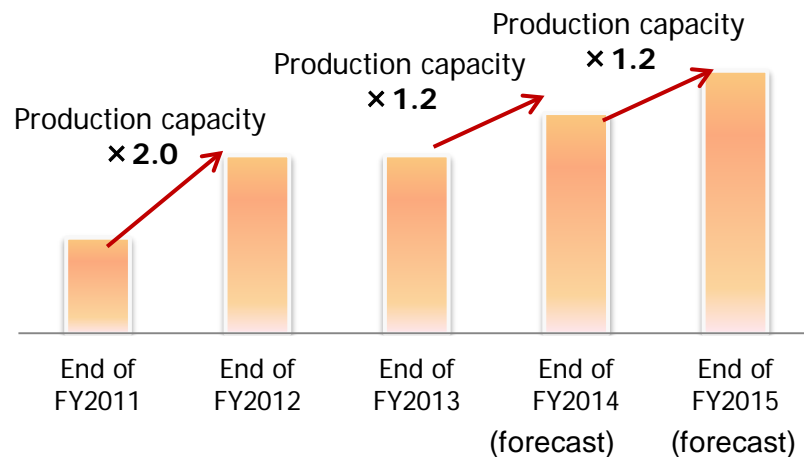
Source: USDA

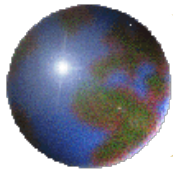
Decision to expand Flumioxazin production capacity

- Increase Flumioxazin production capacity by about 50%, in stages, from FY2014 to FY2015
- To triple the production capacity from FY2011 year-end level by the end of FY2015

Expansion of market share will boost consolidated sales by 20 billion yen through the collaboration

Flumioxazin Production Capacity





Expand Business Domain to Downstream and Other Surrounding Areas



Seeds

- Sunflower
- Rapeseed
- Sorghum
- (Rice)

Agricultural chemicals

- Insecticide, fungicide

Formulation and application technology

- Insecticide and plant growth regulator for seed treatment
- Seed treatment technology

Agricultural chemicals

- Insecticide, fungicide, herbicide

Bio-rational

- Microbial pesticide
- Plant growth regulator

Fertilizer

- Coating fertilizer

Formulation technology

- Microcapsule

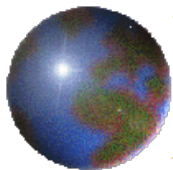
Products

- Fungicide
- Preservative
- Coating agent
- Plant growth regulator

Services

- Postharvest treatment
- Pre-shipment treatment
- Residue analysis

**Expand Business domain
of seed treatment and postharvest business**



Seed treatment and Post-harvest



Market size

US\$4.5 billion (as of 2013), growing 10% per year

Business

Provide crop protection chemicals for seed coating that improve crop yields (seed germination rates) and help make farm work more efficient

Initiative to expand business scope

Planning to expand sales area from North America into other regions

Sales of seed treatment
At present: approximately 5 billion
In 2 to 3 years: 10 billion yen

Market size

US\$0.4-0.5 billion (as of 2013), growing 10% per year

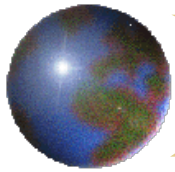
Business

Provide products and services that are used after harvest to help maintain the quality of crops

Initiative to expand business scope

Acquired Pace International, a U.S. post-harvest solutions company, in December 2012

Sales of Post-harvest
At present: approximately 6 billion yen
→ In the future: 10 billion yen



Expansion of the Biorational Business

Overview of Valent BioSciences

Established: In 2000 (acquired from Abbott Laboratories)

Business: Production and sales of biological pesticides
and plant growth regulators

Shareholding: 100% (subsidiary of Valent USA)

Headquarters: Illinois, USA

Sales regions: Over 90 countries worldwide

Biological Pesticides

Market Size

US\$400 Million

Business

Provide natural, micro-derived pesticides that can be used in organic farming

Initiatives to expand business scope

Constructing a plant to produce active ingredients for biological pesticides (to be operational in 2014)

Plant Growth Regulators

Market Size

US\$800 Million

Business

Provide crop protection chemicals that improve crop yields and quality

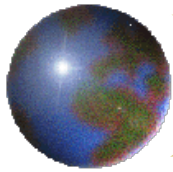
Initiatives to expand business scope

Expand into new areas such as rice and pasture grass; explore the expansion into crop stress management



Plant Growth Regulator
ProTone

Biological Pesticide
DiPel



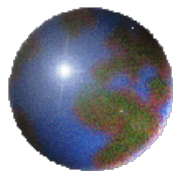
Constructing a Plant to Produce Active Ingredients for Biological Pesticides



Completion ceremony was held in Osage, Iowa, on June 27, 2014

The plant will expand the existing biological pesticides business, and will also contribute to production in new fields, such as a product that provides resistance to environmental stress





Development and Launch of Next Generation Blockbuster Products

-Pipeline of New agrochemicals-



Products
launched/
to be launched

Agricultural Insecticide
1 A.I. (spinetoram)

Agricultural Fungicide
2 A.I.s
(isotianil, fenpyrazamine)

Agricultural Herbicide
1 A.I.
(propyrisulfuron)

Agricultural Fungicide
(ethaboxam, mandestrobin)

2 A.I.s
Household Insecticide
1 A.I.
(Sumifreeze)

Agricultural Insecticide
1 A.I.

Agricultural Fungicide
3 A.I.s

Plant Growth Regulator
1 A.I.

Household Insecticide
2 A.I.s

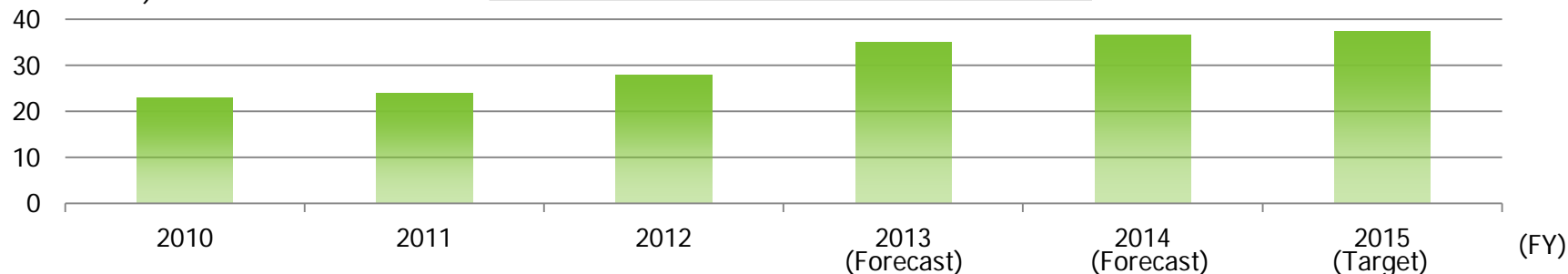
Animal Health Product
2 A.I.s

(Note) A.I.: Active Ingredient

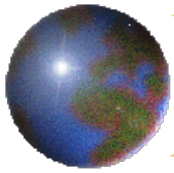
*Future consolidated sales of
active ingredients and
formulation over 100 billion yen*

(Billions of Yen)

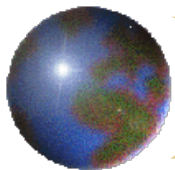
Trends in Sales of New Products



(Note) Sales of new products: Sales of crop protection chemicals and household insecticides launched (including new applications) within the past five years



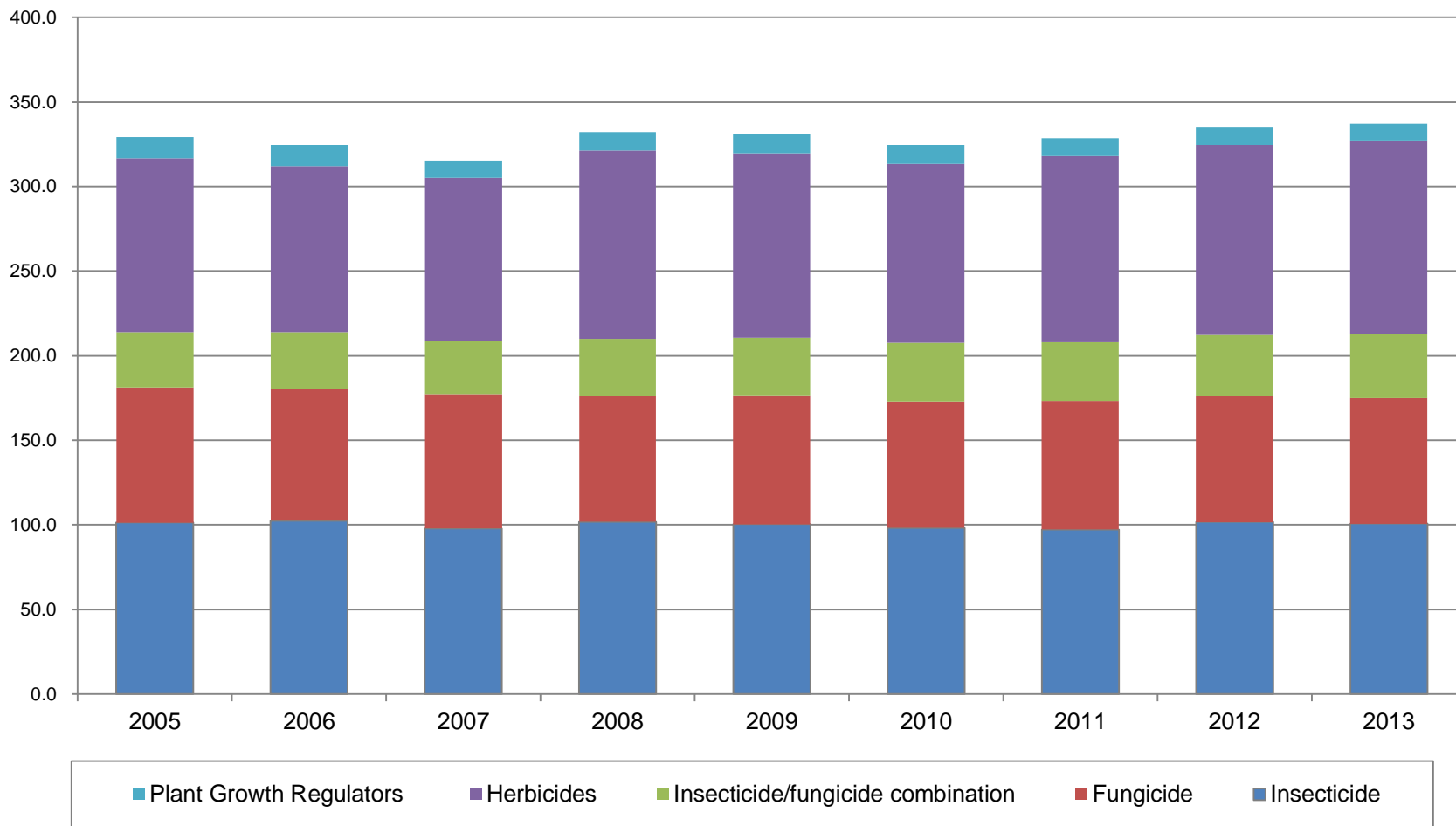
3. Global Strategy for the Agriculture related business (2) Expand Domestic Business



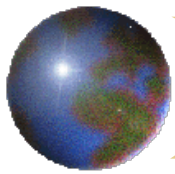
Agrochemicals Market in Japan

※ Market year (October~September)

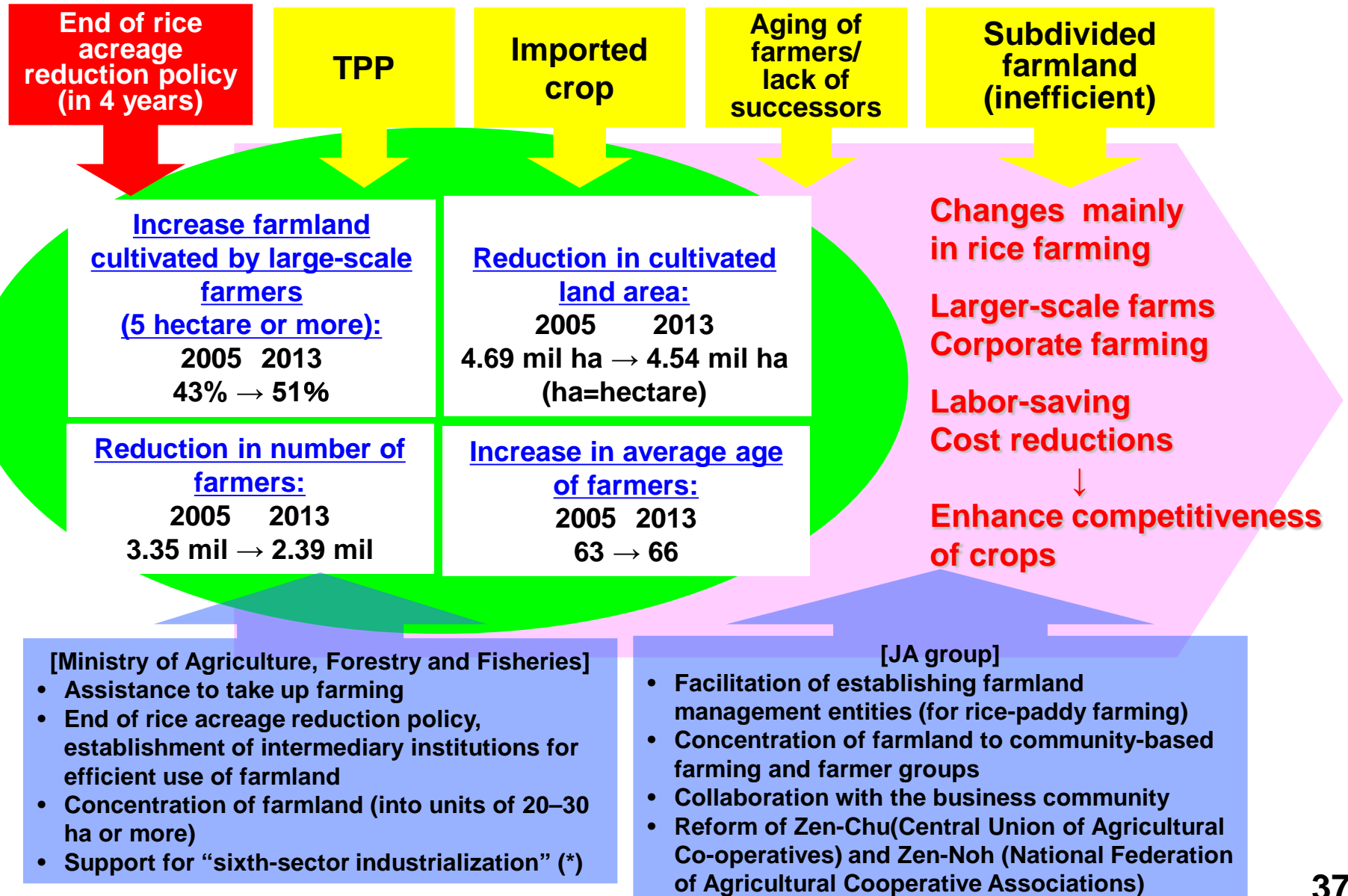
Billions of Yen



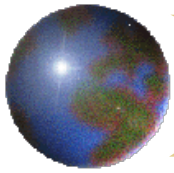
Source: Estimated from data by Japan Crop Protection Association



Changes in Japan's Agricultural Structure (1)



(*) primary producers' diversification into processing and distribution



Changes in Japan's Agricultural Structure (2)

End of rice acreage reduction policy

Current Situation

High cost
Aging/Lack of successors
Inefficiency

- Larger-scale farms
- Concentration of farmland (assistance for those giving up farming)
- Support for those taking up farming
- Sixth-sector industrialization
- Farming technology innovation

Near future

Larger-scale
Labor-saving
Higher yields
Lower costs

Transformation of 3 million family farms into several hundred thousand corporate-style businesses

Larger-scale operations are essential, especially for rice-paddy farming

Trend toward large-scale operations
→ Labor-saving/mechanization

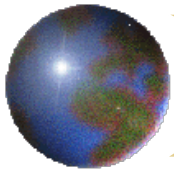
Distribution margin
→ Retail price competition

Diversification of distribution channels

Shrinking agricultural materials market
→ Selection of suppliers

Small/medium operations
→ Corporate farming

Depend on application calendar for agrochemicals
→ Own technology platform



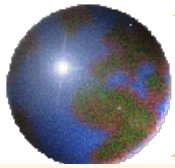
Key Strategies for Domestic Operations

◆ No. 1 business entity to contribute diversifying domestic agriculture

Under this policy, the following are key strategies for domestic operations

1. Respond to changes in agricultural structure
2. Maximize sales of new products (agrochemicals and fertilizers)
3. Expansion of the new business

⇒ In particular, regard response to changes in agricultural structure as an important business opportunity and focus on building new business models.



Responding to Changes in Japan's Agriculture Market

Features of Agriculture in Japan

- High level of quality control (rigorous safety and quality assurance measures)
- Large consumer market

Issues for Agriculture in Japan

- Aging farm workers; lack of successors
 - Average age of farmers: 66 (2013)
 - 30% decrease in the number of farm workers between 2005 and 2013
- High-cost social infrastructure based on small-scale farmers

Agricultural Policy

Structural reform to make Japan's agriculture attractive and competitive

End of rice acreage reduction policy

Encourage the merger of small farms into larger integrated farms

Promote the use of new technologies

Support for "sixth-sector industrialization"

Our Business Opportunities and Plans

Strengthen marketing capabilities in Japan

- Enhance technical support
- Integrate the sales organizations for crop protection chemicals and fertilizers in order to be better able to offer comprehensive proposals

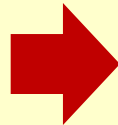
Offer a labor-saving fertilizer application and crop protection system

- Enhance product portfolio for paddy rice cultivation
- Seed treatment

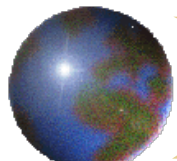
Promote "total solution provider" business

- In addition to selling crop protection chemicals, fertilizers and agricultural supplies, provide related services, including farm management consulting and assistance services, agriculture business management support systems, and agricultural produce sales support
- Managing "Sumika Farm" agricultural corporations

Support farmers with our broad product portfolio and advanced technologies



Enhance farmers' competitiveness and help their improvement in product safety and quality



Comprehensive Crop Protection Business in Japan

SCC GROUP
住友化学 アグログループ

※Share estimated
by Sumitomo Chemical

 **住友化学**
Sumitomo Chemical

Total of 2 companies
Top market share of about
19% for agrochemicals

Agrochemicals, fertilizers

Wholesaler → Retailer



Kyoyu Agri

Top market share of
about 23% for irrigation
tubes

Agrochemicals

JA, Zen-Noh group



Sumika Agrotech

Top market share of
about 80% for coating
processes

Agricultural
supplies, seeds

Wholesaler

SanTerra

San Terra

Second market share of
about 18% for agricultural
polyolefin films

Agricultural polyolefin film
Agricultural polyethylene

JA, Zen-Noh group,
Wholesaler



Nihon EcoAgro

Agricultural commodity
production

Direct sales,
Wholesale market



Sumitomo Chemical



Garden Products

King Engei

Total of 3 companies
Top market share of about
40% for home gardening

Home & garden
agrochemicals, fertilizer

Wholesaler

DIY
Stores

Gardening



Rainbow Chemical



Sumika Green

Top market share of about
30% for prevention of
pine sawyer

Agrochemicals

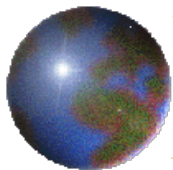
Wholesaler

Golf courses,
forests

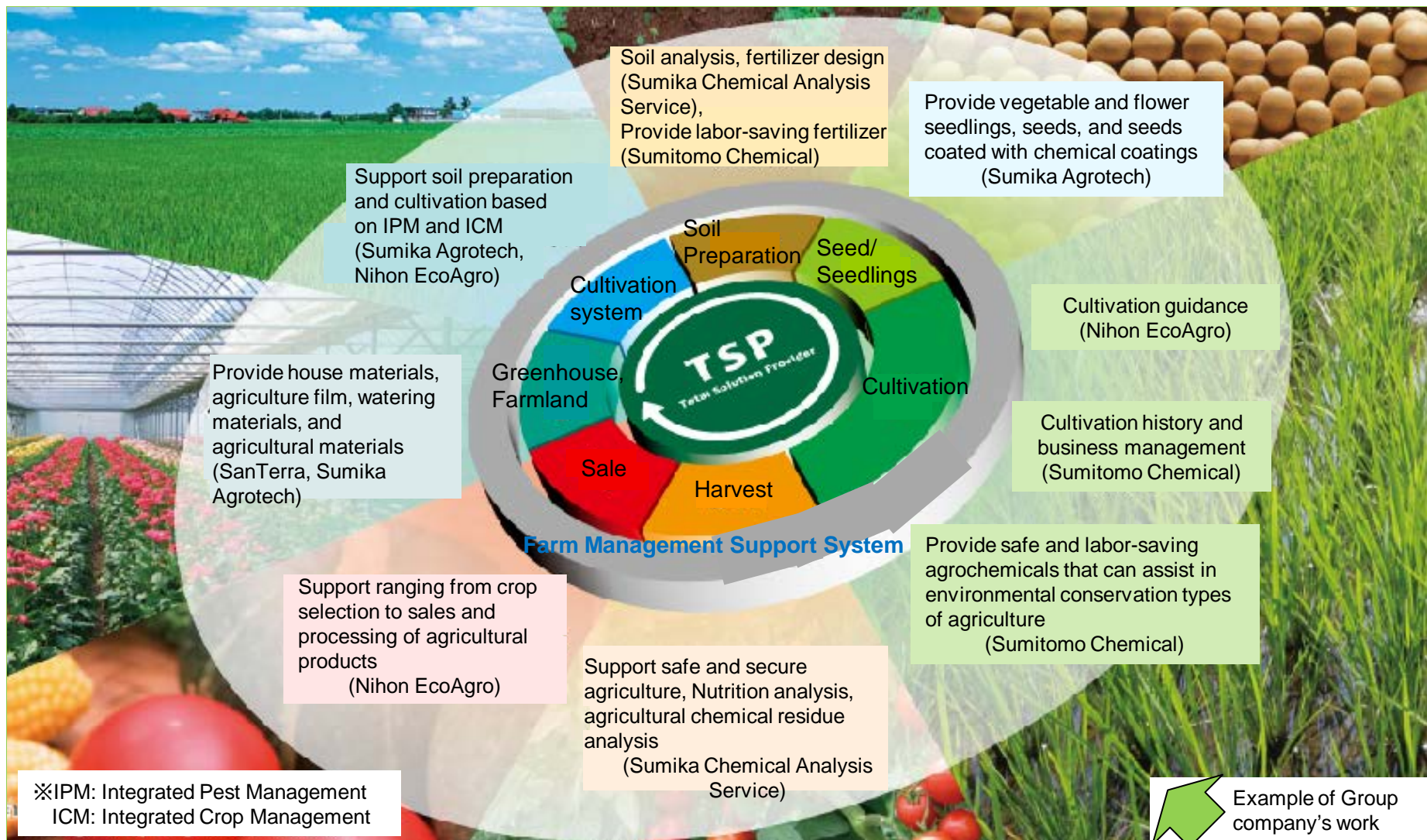
Distribution

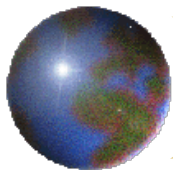
Market

Agriculture



Model of the Total Solution Provider (TSP)





Overview of our New Rice Business

Scale of business (in 5 years)
Area: 10 thousand ha
Sales: 10 billion yen

**Cooperation with
relevant parties**

Contracted farms

**Sell rice for
use in the
restaurants
and
delicatessens**

**Cultivation
technology
Farm operation
management**

Rice seeds

**Agricultural
materials
Agrochemicals
and fertilizer**

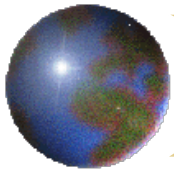
R&D

**Cultivation
technology**

**Development of
new rice varieties**

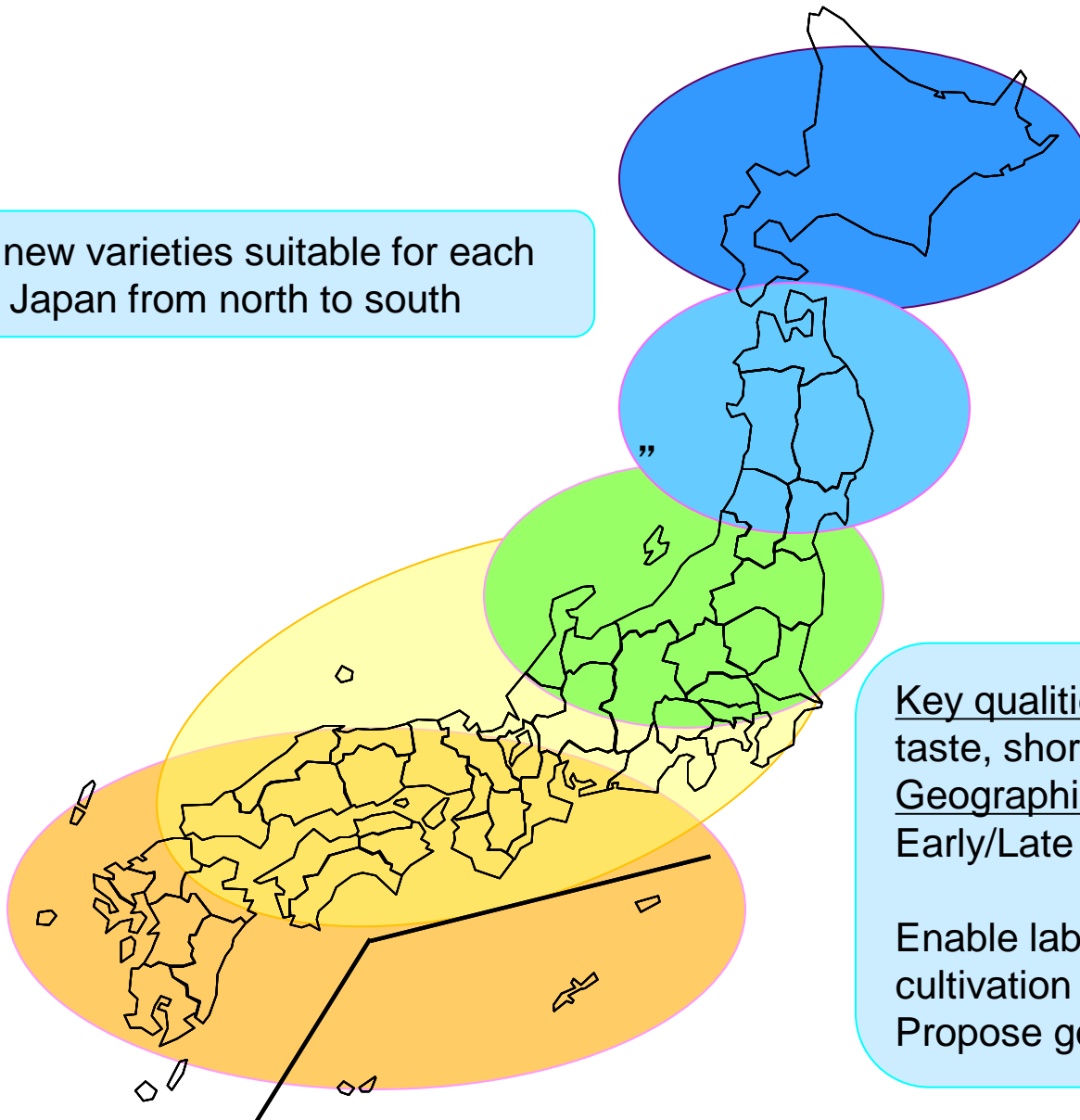
**Agrochemicals
and fertilizer**

Sumitomo Chemical Group



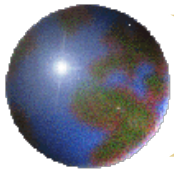
Development of new varieties of rice

Develop new varieties suitable for each region in Japan from north to south



Key qualities: High-yield, good taste, short culm
Geographical characteristic: Early/Late maturing

Enable labor-saving, low-cost cultivation
Propose good-tasting rice



R&D on new varieties of rice

Develop new varieties:

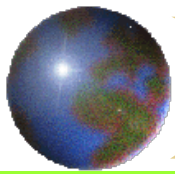
Aim to develop low-cost, good-tasting rice varieties suitable for each region in Japan

Improve cultivation techniques:

Propose direct sowing, various advanced technologies and cultivation system for large-scale farming, in combination with new rice varieties

Enhance research system:

**Establish a research team to develop new varieties
Strengthen existent relevant research teams**

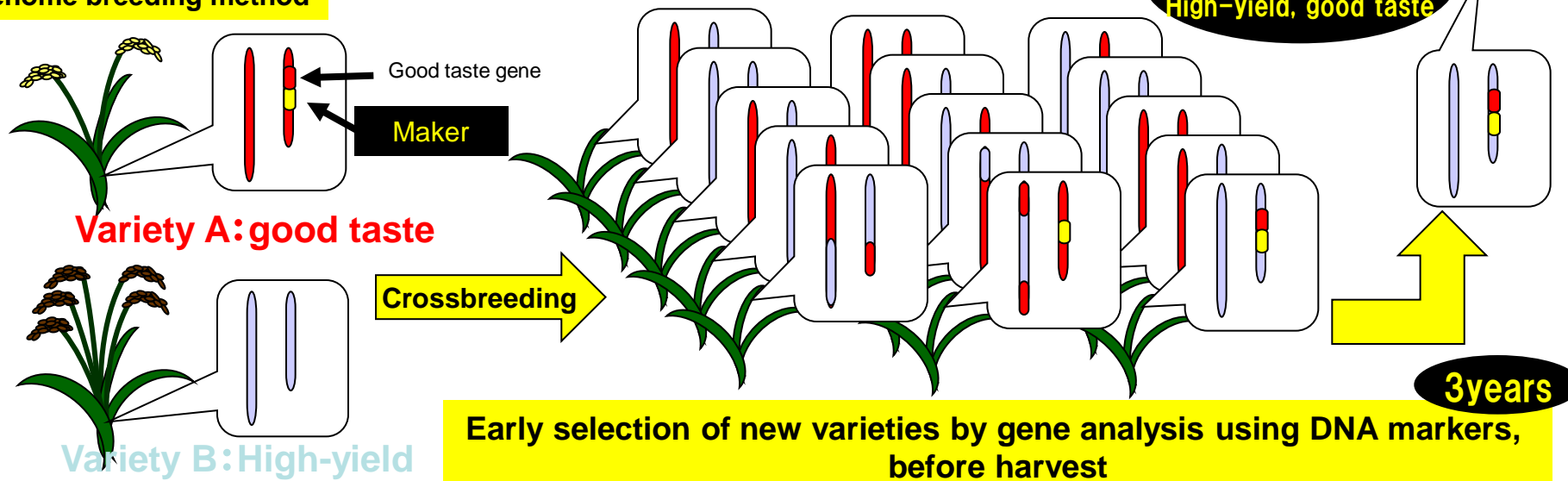


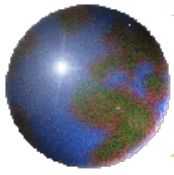
High-Speed Breeding Technology by Using DNA Markers

Conventional breeding method

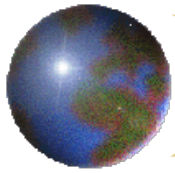


Genome breeding method





4. Long-term Prospects



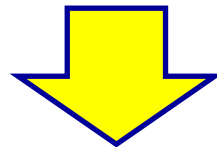
Higher Expectations of Agriculture = Business Opportunities

Opportunities

- **Global population in 2014: 7.2 billion** (Asia 4.3 billion, Africa 1.0 billion)
- **By 2025, 53% will be middle-class**
- **Global population in 2050: 9.3 billion** (Asia 5.4 billion, Africa 1.5 billion)

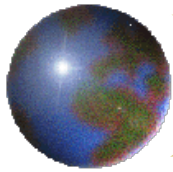
Issues

- **Localization of arable land** (Brazil, Africa)
- **Boosting yields of existing cultivated land**
- **Food safety, security, quality**
- **Monopolization of seed supply**

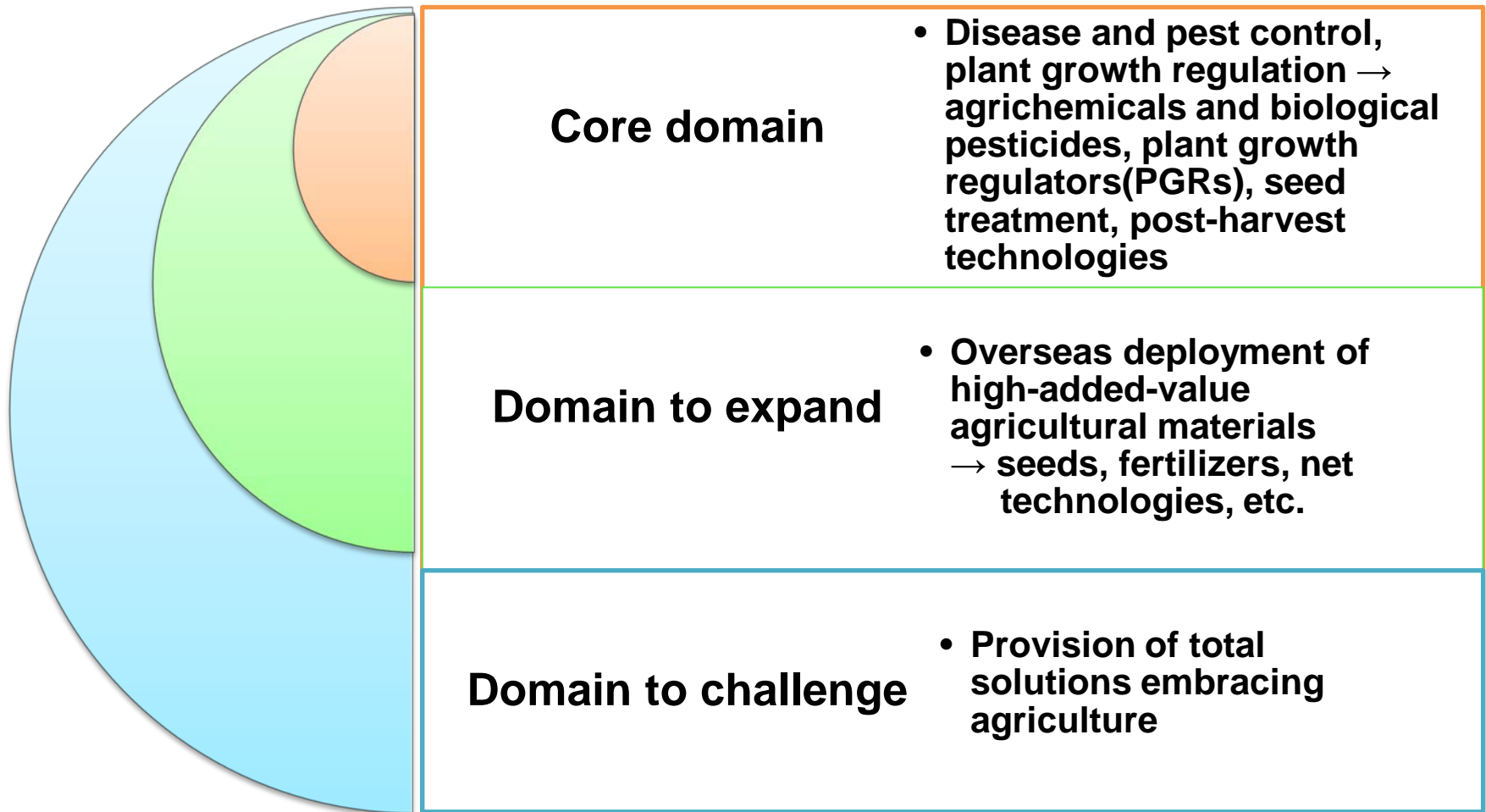


Solutions through advanced agriculture

How can Sumitomo Chemical contribute?

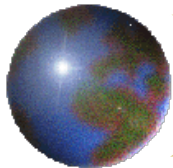


Sumitomo Chemical's Business Domains and Potential for Contributing to Agriculture



Basic strategy:

Prioritize reinforcement and growth of core domains while exploring new possibilities (for domains for expansion and fresh challenges, see next slide)



Exploring New Possibilities (Domain to Expand and Challenge)

Domain to expand: Next 5 Years

Highly functional coated fertilizers

Tropical plantations

(banana, pineapple, oil palm)

Cash crops in Africa

(natural pyrethrum, coffee, paddy rice, etc.)

Application of net technology to agriculture

Develop technologies to repel stored grain

insect pests in Africa

Control insects harmful to plantations

Agricultural developments in China

Seed coating business

Highly functional agricultural PO film business

Domain to Challenge: 3-10 years from now

Rice seeds (expand functions of Asia R&D Center)

Examine business models, develop suitable varieties

Develop F1 hybrid seeds

Explore business development in Asia and Africa

Comprehensive agricultural production technologies

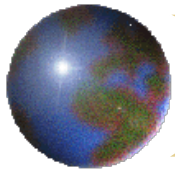
Research and trials on our own overseas farms

(e.g., Sumitomo Chemical Group farm in Brazil scheduled to begin operation in 2016 or later)

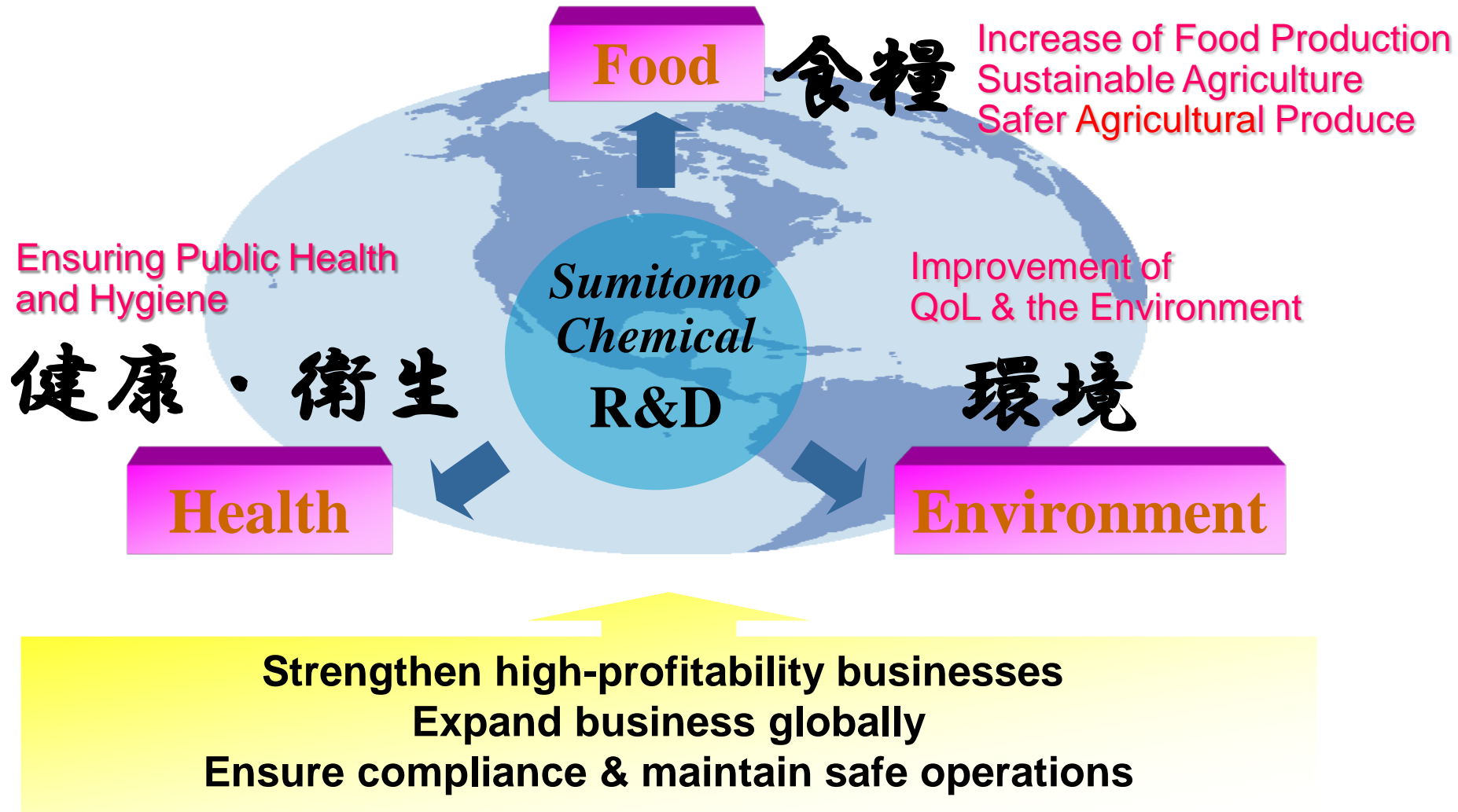
Expand agricultural business in Africa

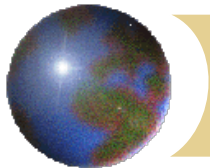
Expand activities of Sumitomo Chemical East Africa and Africa Technical Research Center(ATRC)

Explore development in West Africa



Change & Innovation





Cautionary Statement

Statements made in this document with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties.

The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.