

For Immediate Release

August 31, 2001  
Mitsui Chemicals, Inc.  
Sumitomo Chemical Company, Ltd.

**Start of Operations of Sumitomo Mitsui Polyolefin Co., Ltd., To Be Postponed**

Mitsui Chemicals, Inc., and Sumitomo Chemical Company, Ltd., previously announced that they will merge their polyolefin operations effective October 1, 2001. The Companies have been holding discussions with the Fair Trade Commission regarding the merger, and, at this point in time, the issues raised by the Fair Trade Commission are still under examination by the Companies and the consultation has not yet been finalized. Accordingly, the Companies have decided to postpone the start of operations of Sumitomo Mitsui Polyolefin Co., Ltd., the new company that combines their polyolefin operations.

The polyolefin business currently faces an extremely difficult operating environment because of rising raw material prices, intensifying competition due to a large influx of imports. In addition, there is an urgent need to achieve substantial cost reductions in preparation for a further expansion in imports after the scheduled cut in import duties in 2004. There also is a need to achieve a fundamental strength of the international competitiveness of polyolefin business in order to compete with European and U.S. companies that are currently increasing their competitiveness through mega-mergers and reorganizations to expand operating scale.

Under these circumstances, the Companies wish to realize the benefits of synergies from the merger of their operations as soon as possible to survive global competition. They will continue to seek the understanding of the Fair Trade Commission in this matter, and will start combined operations as soon as approval is obtained.

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