

April 2, 2009

Mitsui Chemicals and Sumitomo Chemical to Exit Polystyrene Business

Mitsui Chemicals, Inc.  
Sumitomo Chemical Co., Ltd.  
Japan Polystyrene, Inc.

Mitsui Chemicals, Inc. (Mitsui Chemicals) and Sumitomo Chemical Co., Ltd. (Sumitomo Chemical) have announced their decision to dissolve their jointly operated company, Japan Polystyrene, Inc. (JPS), and exit the polystyrene business.

The increasing shift of major Japanese polystyrene customers' production bases to overseas locations and sharp rises in feedstock prices in recent years have caused a considerable decline in demand for polystyrene in Japan in the areas of electrical appliances and electronics, industrial applications and miscellaneous goods, and this demand is not expected to rebound in the future.

Since the founding of JPS in 1997, Mitsui Chemicals, Sumitomo Chemical and JPS have worked to streamline manufacturing, sales and research operations; consolidate product grades; and establish optimum production and logistics capabilities by leveraging production bases in Eastern and Western Japan in their efforts to strengthen the polystyrene business. Nevertheless, with the operating environment becoming increasingly constrained, the companies have judged the prospects of achieving stable revenues over the mid to long term extremely difficult and have decided to exit the polystyrene business.

JPS plans to discontinue operations at both its Osaka and Chiba plants at the end of September of this year, after which the company will be dissolved. Concerning the supply of its products, JPS will continue to sell its inventory in the interim and will also request the cooperation of other companies in the same industry if customers so desire in order to exit the business without causing much inconvenience to customers and others concerned.

Please direct any inquiries to the following:

Mitsui Chemicals, Inc.

CSR & Corporate Communications Div.

TEL : 03-6253-2100

Sumitomo Chemical Co., Ltd.

Corporate Communications Dept.

TEL : 03-5543-5102

Japan Polystyrene, Inc.

General Affairs Dept.

TEL : 03-5640-1551

[Reference]

#### Overview of JPS

- |                      |  |
|----------------------|--|
| (1) Company name:    | Japan Polystyrene, Inc.                          |
| (2) Established:     | August 1997                                      |
| (3) Headquarters:    | Nihonbashi Honcho 3-7-2, Chuo-ku, Tokyo, Japan   |
| (4) President:       | Mune Iwamoto                                     |
| (5) Paid-in capital: | ¥2 billion                                       |
| (6) Ownership:       | Mitsui Chemicals: 50%; Sumitomo Chemical: 50%    |
| (7) Business:        | Manufacture, sale and development of polystyrene |
| (8) Employees:       | Approx. 60 persons                               |