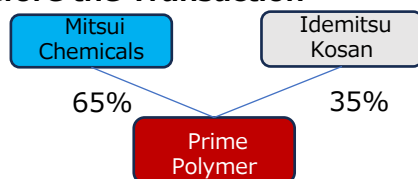


Acquisition by Prime Polymer Co., Ltd., of SUMITOMO CHEMICAL COMPANY, LIMITED's Polypropylene and Linear Low-Density Polyethylene Manufacturing and Sales

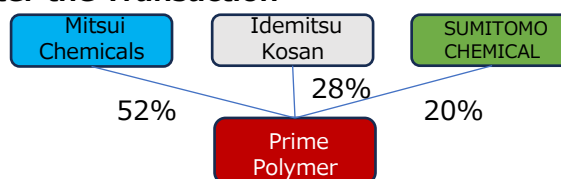
Reference

1. Overview

Before the Transaction



After the Transaction



- Prime Polymer, which engages in manufacturing and sales businesses in the following two sectors acquires SUMITOMO CHEMICAL's manufacturing and sales businesses in those sectors through an absorption-type company split.

① Polypropylene (PP)

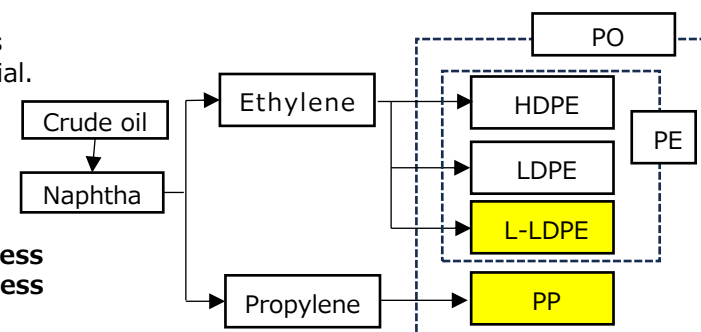
② Linear low-density polyethylene (L-LDPE)

These two sectors are designated as priority sectors for review.

- SUMITOMO CHEMICAL acquires shares of Prime Polymer as consideration.
- Prime Polymer becomes a joint venture between Mitsui Chemicals, Idemitsu Kosan and SUMITOMO CHEMICAL.

2. Particular Field of Trade

- Polyolefins (PO), which are synthetic resins produced from naphtha, include polyethylene (PE), which uses ethylene as its main raw material, and **polypropylene (PP)**, which uses propylene as its main raw material.
- Polyethylene (PE) includes high-density polyethylene (HDPE), low-density polyethylene (LDPE) and **linear low-density polyethylene (L-LDPE)**.
- Examples of main applications
PP: Car bumpers, detergent containers, storage boxes, etc.
L-LDPE: Packaging materials (small liquid sachets, tubes, etc.), bottle caps, etc.
- In this case, the JFTC defined **the particular fields of trade** as **the PP manufacturing and sales business (the geographic scope is all regions of Japan)** and **the L-LDPE manufacturing and sales business (the geographic scope is all regions of Japan)**.



3. Impact of the Transaction on Competition (Horizontal Business Combination)

Polypropylene (PP)

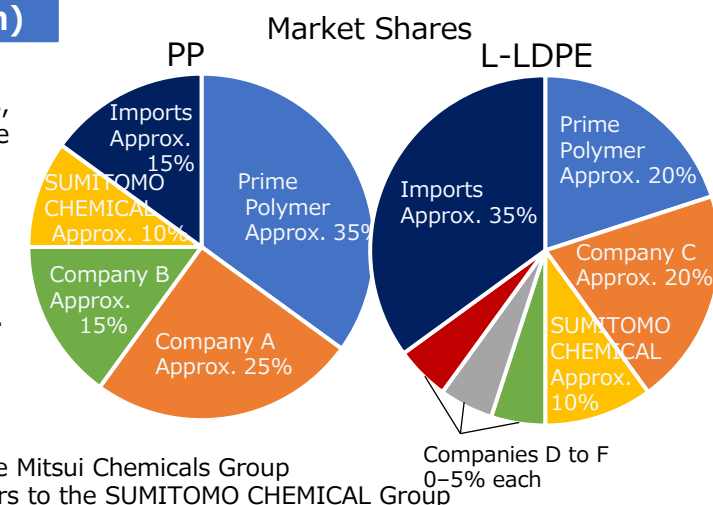
- **Competitive constraint from competitors exists:** Taking into account the presence of major competitors, a certain degree of excess capacity among competitors, a downward trend in demand and the characteristics of process industry.
- **Import pressure exists:** Imports account for approximately 15% of the market. However, for high-grade applications (where customers have high standards regarding physical properties and foreign matter control, etc.), customers are reluctant to procure imported products, and import pressure is therefore limited.
- **Competitive pressure from customers exists:** There is a possibility that customers may switch suppliers. Furthermore, the shrinking market and the absence of information asymmetry are taken into account.

Linear low-density polyethylene (L-LDPE)

- **Competitive pressure from competitors, import pressure and competitive pressure from customers exist.**

* "Prime Polymer" refers to the Mitsui Chemicals Group

"SUMITOMO CHEMICAL" refers to the SUMITOMO CHEMICAL Group



4. Conclusion

The JFTC concluded that the Transaction would not substantially restrain competition in a particular field of trade.