

Enhancement of Strategic Alliance with Sipcam S.p.A. for European Market

Sumitomo Corporation (head office: Chuo-ku, Tokyo; president: Kuniharu Nakamura), through its 100% owned subsidiary, a holding company of crop protection distribution companies, Sumi Agro Europe Ltd. (head office: London, UK; president: Wlodzimierz Wleklik; hereinafter, 'SAE'), and Sipcam S.p.A. (head office: Milan, Italy; president: Nadia Gagliardini; hereinafter, 'Sipcam HQ') exchanged a further 10% shareholding in their intermediate holding companies Sumi Agro Ltd. (head office: London, UK; president: Wlodzimierz Wleklik; hereinafter, 'SAL') and Sipcam Europe S.p.A. (head office: Milan, Italy; president: Nadia Gagliardini; hereinafter, 'Sipcam EU') on September 24, 2015, which increases the capital alliance between SAE and Sipcam HQ to 20% from the previous level of 10% mutual shareholding.

The first capital alliance, where there was a mutual exchange of 10% shareholding in the intermediates between SAE and Sipcam HQ, started in 2012 with the target of building up a European wide distribution network for the mutual benefit of both parties and their customers. Both companies aimed to strengthen their presence in the European market by combining SAL's operations in 8 countries in mainly Central and Eastern Europe and Sipcam EU's operations in 6 countries in Western Europe. SAE and Sipcam HQ have succeeded in materializing practical business growth and expansion since the alliance was formed in 2012. Common objectives and business principles form the basis for growth strategies, in particular continued growth and development of business with Japanese crop protection manufacturers, with both companies aiming to enhance business opportunities and potential further by concluding the additional 10% share exchange up to 20%.

Sumitomo Corporation's crop protection business started in earnest in the 1970s with the export of crop protection products produced by Japanese manufacturers. After adopting a strategy of intensifying its efforts downstream in the value chain, distribution operations were established in more than 30 countries in the Americas, Europe and elsewhere. Europe is the one of the most important markets in global crop protection accounting for US\$ 13.9 billion (25%) of the US\$56.7 billion global market. The alliance between SAE and Sipcam HQ enables the businesses to combine their resources and expertise to compete more rigorously in the European market where strict controls on product development and registrations apply in order to meet the needs of their customers.

Sumitomo Corporation realizes a global contribution for a stable supply of food and believes that our crop protection business will be enhanced with the alliance between SAE and Sipcam HQ in Europe. Our target is now to extend our global distribution organization up to a level of 150 billion yen (the sum of group companies' turnover).

(Remarks)

SAE supervises distribution companies in Poland, Hungary, Romania, Bulgaria, Czech, Slovakia, France and Germany via SAL while Sipcam HQ supervises companies in Italy, Spain, Portugal, UK, Greece and Benelux via Sipcam EU.

Company Profile: Sumi Agro Limited

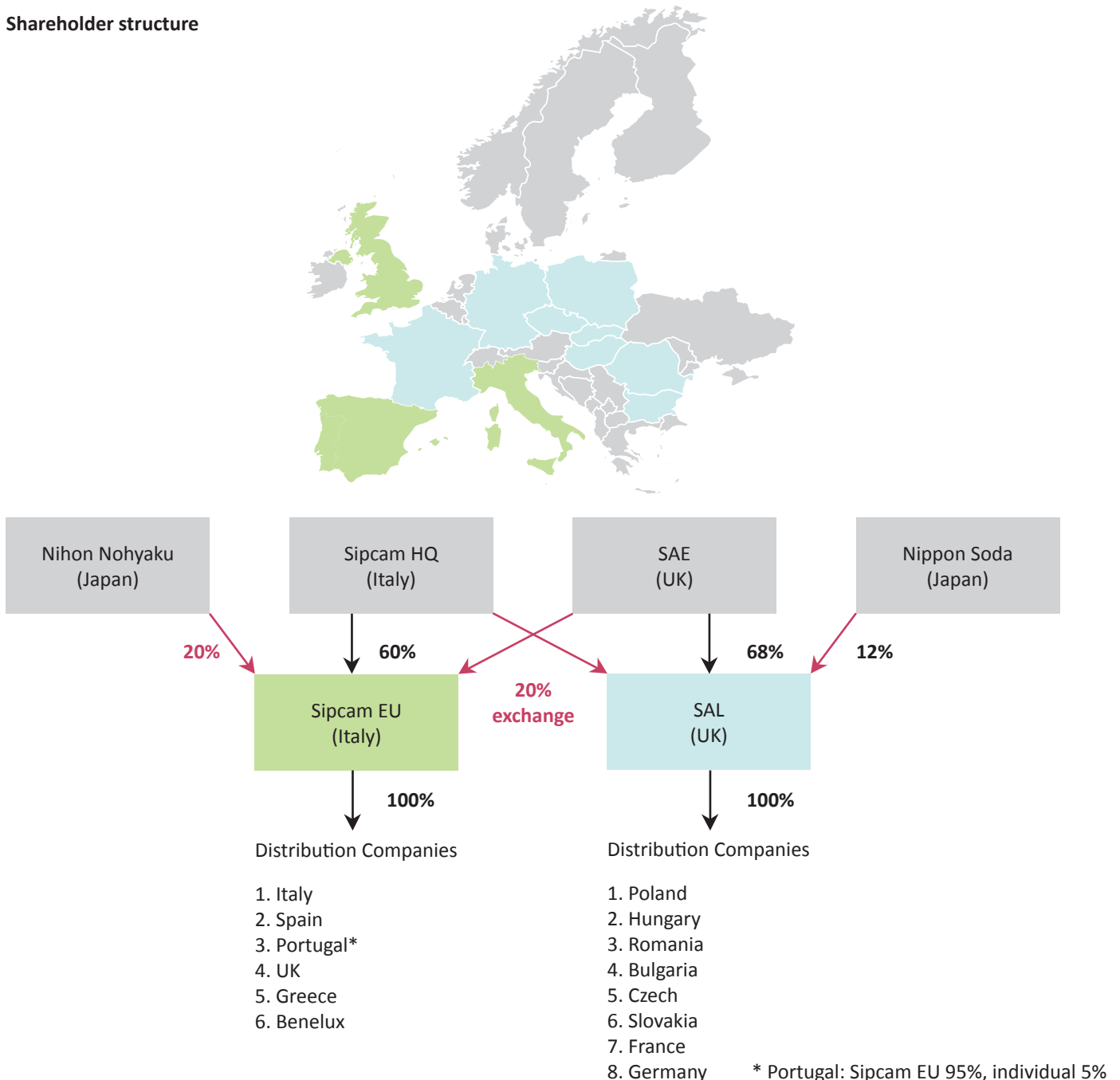
- (1) Headquarters: London, UK
- (2) Business area: Supervision of agrochemical, seed and fertilizer distribution companies
- (3) Establishment: October, 2011
- (4) Capital: Euro 40 million
- (5) President: Wlodzimierz Wleklik
- (6) Sales: Euro 105 million (FY 2014 consolidation)
- (7) Shareholders: SAE 68%, Sipcam HQ 20%, Nippon Soda Co., Ltd. 12%

Sumitomo Corporation Europe Limited

Company Profile: Sipcarn Europe S.p.A.

- (1) Headquarters: Milan, Italy.
- (2) Business are: Supervision of agrochemical, seed and fertilizer distribution companies
- (3) Establishment: July, 2011
- (4) Capital: Euro 36.9 million
- (5) President: Nadia Gagliardini
- (6) Sales: Euro 149 million (FY 2014 consolidation)
- (7) Shareholders: Sipcarn HQ 60%, SAE 20%, Nihon Nohyaku Co., Ltd. 20%

Shareholder structure



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