

January 28, 2011

Sumitomo Chemical Makes Italian Agrochemical Distributor Wholly-Owned Subsidiary

Sumitomo Chemical (the Company) today announced that it has recently decided to acquire a 100% stake in its previously 50%-owned equity method affiliate Isagro Italia S.r.l. (Isagro Italia), which will make Isagro Italia a wholly-owned subsidiary, as part of Sumitomo Chemical's strategy to strengthen its agrochemical business in Europe. The Company intends to rename the new business entity "Sumitomo Chemical Italia S.r.l." (a tentative name).

In 2002, Sumitomo Chemical acquired a 50% stake in Isagro Italia, under the umbrella of Italian agrochemical major Isagro S.p.A. (Isagro), in order to expand sales of the Company's agrochemicals in Italy. Since then, Isagro Italia, as an agrochemical distributor with an abundantly varied product lineup, has become one of the major suppliers in the Italian agrochemical market.

According to Kenjiro Fukubayashi, Senior Managing Executive Officer in charge of the Agricultural Chemicals Sector of the Company, "Not only does Italy boast the world's 8th largest market and Europe's 3rd largest market for agrochemicals, but it also represents tremendous potential for Sumitomo Chemical to amply leverage our product portfolio in insecticides, fungicides, and herbicides for grapes, fruit trees, vegetables and field crops".

In its efforts to strengthen and expand its agrochemical business in Europe, the Company judged it necessary to promote sales in the agrochemical market in Italy, while its partner, Isagro, decided to focus its business resources on research and development, leading to the present agreement.

"We are extremely positive that Sumitomo Chemical's stronger presence in Italy will help to expand our business throughout Europe, and we will continue to expand and strengthen our Agricultural Chemicals business globally", Fukubayashi added.

Overview of Isagro Italia

- (1) Established: 1993 (changed to current corporate name in 1995)
- (2) Headquarters: Milan, Italy
- (3) Sales: Approx. 81 million Euros (approx. ¥9 billion) (2009)
- (4) Equity investment: Sumitomo Chemical: 50%;
Isagro: 50%
- (5) President: Andrea Barella
- (6) Number of employees: approx. 70 persons