

July 11, 2012

Research Center Built at Joint Venture in Tanzania

Vector Health International Ltd. (Vector Health), a joint venture in Arusha, Tanzania, between Sumitomo Chemical Company (Sumitomo Chemical) and an A to Z Textile Mills Ltd. group company, has set up a research laboratory to equip itself with research and development functions, in addition to production capabilities, for the Olyset® Net insecticidal mosquito net for malaria prevention.

The newly established Africa Technical Research Center (ATRC), located also in Arusha, Tanzania, will conduct efficacy trials, development and analysis of vector control (*1) products and agricultural products.

Of all cases of malaria, about 90% occurs in sub-Saharan Africa. As malaria is transmitted to a human through the bite of a mosquito infected with malaria parasites, the use of insecticidal mosquito nets has been recognized to be effective for the prevention of the disease. Olyset® Net, developed with Sumitomo Chemical's proprietary technology, is the first net endorsed by the World Health Organization (WHO) in 2001 as a long-lasting insecticidal net. Vector Health, a major manufacturing base for Olyset® Net, has contributed significantly to prevention of malaria infection.

A means perceived to be useful in reducing malaria victims further effectively lies in a comprehensive approach that employs not only insecticidal nets, but other related products in combination as a set of protective measures against insects. On the other hand, an increasing number of findings are reported in certain regions that mosquitoes are showing resistance to pyrethroid insecticides that are used in the mosquito nets, and it is much needed to also develop a new type of insecticidal net. Under these circumstances, Vector Health has decided to set up ATRC as its research arm, aiming to expand the product lineup the company can offer.

Meanwhile, decreasing Africa's starving population is among the high-priority challenges that the international community has constantly addressed, as stated in the United Nations' Millennium Development Goals (MDGs)(*2). Going forward, increasing crop productivity will be all the more needed with the appropriate use of agricultural chemicals and other related products. Given the situation, ATRC will also work to develop agricultural products geared specifically to countries of Africa, such as netting for crops, by capitalizing on Sumitomo Chemical's advanced technological

expertise as well as a variety of know-how cultivated through implementing the Olyset® Net business over many years.

ATRC is the Sumitomo Chemical Group's first research facility ever built in Africa. It is currently hiring researchers from within Tanzania and its neighboring countries and will soon begin activities. The research center will contribute importantly to accelerating early development of new products by conducting on-the-spot efficacy trials, development and analysis in the African environment where products are actually used.

Sumitomo Chemical will continue to exert unabated active efforts in promoting malaria rollback and decreasing the starving population, both of which are accountable for Africa's retarded economic development, by advancing its development initiatives and business expansion with respect to vector control products and agricultural products.

(*1) vector control: Limiting the spread of diseases such as malaria and yellow fever that are transmitted by mosquitoes and other insects.

(*2) Millennium Development Goals (MDGs): Adopted as an action plan by the United Nations in September 2000 based on the UN Millennium Declaration, the Millennium Development Goals include goals to be achieved in eight categories such as poverty, education, the environment, and human rights.

< Company Profile >

Name: Vector Health International Ltd.

Location: Arusha, Tanzania

Establishment: September 2005

Capital: US\$3 million

Investment ratio: Sumitomo Chemical Co. 50%, Net Health Ltd. 50%

President: Kalpesh Shah

Number of employees: Approximately 2,800

Business: Production of Olyset® Net

< Profile of Research Facility >

Name: Africa Technical Research Center

Location: Arusha, Tanzania

Establishment: June 2012

Director: Dr. Johnson O. Odera

Number of researchers: Approximately 30

Research activities:

(1) Efficacy trials of vector control products, including long-lasting insecticidal nets

(2) Efficacy trials of agricultural pest control products

(3) Chemical analysis that supports these two areas of development