

August 4, 2017

## Sumitomo Chemical to Acquire Plant Growth Regulator Business from Kyowa Hakko Bio

Sumitomo Chemical has reached an agreement with Kyowa Hakko Bio Co., Ltd. to acquire Kyowa Hakko Bio's plant growth regulator business.

Plant growth regulators are crop enhancement products that help improve crop quality and yields by promoting or controlling crop growth and development, such as making fruit larger or promoting flowering. Plant growth regulators are widely used around the world.

As a pioneer in Japan's plant growth regulator market, Kyowa Hakko Bio has been expanding its business in this field since 1958, when it began selling "Gibberellin Kyowa" tablet. It sells the gibberellin product "Gibberellin Kyowa" and the forchlorfenuron product "Fulmet", which have such effects as increasing the size of pears and grapes and making grapes seedless.

Amid a wave of large-scale consolidation and restructuring of the world's crop protection products companies, Sumitomo Chemical is constantly expanding its business in this field, leveraging its versatile strengths, including advanced capabilities of developing new crop protection & enhancement products, creation of unique businesses such as biorationals, global sales networking, and alliances with major manufacturers in the world. Among others, in the specialties areas, such as biorationals where the market is expected to continue growing at a high rate, Sumitomo Chemical has been aggressive in recent years in carrying out M&A transactions and enhancing its R&D capabilities. The agreed transaction of business acquisition allows Sumitomo Chemical to further strengthen its business in these areas by combining Kyowa Hakko Bio's high-quality products, excellent specialized knowledge, and wide brand recognition in Japan's plant growth regulator market with the technologies and other expertise Sumitomo Chemical has cultivated or refined over the years.

The acquisition of the plant growth regulator business is another important step for Sumitomo Chemical to expand its worldwide product portfolio further and contribute to improving agricultural crop productivity in the world.

### *Overview of Kyowa Hakko Bio*

Company name:	Kyowa Hakko Bio Co., Ltd.
Date established:	October 1, 2008
Capital:	10 billion yen (100% subsidiary of Kyowa Hakko Kirin Co., Ltd.)
Sales:	84 billion yen (Consolidated, as of December 2016)
Representative:	Chikakuni Kotani, President and Chief Executive Officer
Business description:	Manufacture and sale of pharmaceutical ingredients, amino acids, health foods, and plant growth regulators