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Sumitomo Chemical To Acquire Ethaboxam Fungicide Business

Sumitomo Chemical Company Ltd. (SCC) has agreed with LG Life Sciences Ltd. (LGLS) of South Korea to acquire their ethaboxam fungicide business later this month.

Ethaboxam fungicide is highly effective on a wide range of troublesome diseases, such as downy mildew, late blight and Pythium disease, of many crops including grapes, vegetables, potatoes, corn and other row crops. The fungicide offers the distinctive advantage of flexibility in the choice of application methods, for example, soil, foliar or seed treatment applications. The compound was developed by LGLS and has been on the market in various countries since 2005, mainly for foliar and soil treatment. Because of its highly systemic and preventive activities, ethaboxam exhibits excellent fungicidal performance also for seed treatment, which helps reduce both the application frequency and the application rate of crop protection products and ultimately promote labor saving in agricultural production. Given a surging global trend toward more efficient crop production on a larger farming scale, demand for increased use of crop protection products in seed treatment is expanding significantly in recent years. Since only a few fungicides are currently available to control Pythium disease effectively, SCC expects that ethaboxam will be one of the highly preferred seed treatment products capable of meeting growers' needs for higher crop productivity.

SCC positions the seed treatment field as one of its strategically important business segments and is working vigorously to establish a stronger product portfolio centering on its current flagship product, clothianidin insecticide. From this perspective, the ethaboxam business acquisition makes SCC's product portfolio even more attractive to farmers as it provides a further enhanced product line of unique crop protection products for seed treatment particularly when used in combination with existing products. The SCC group has thus far engaged in development of ethaboxam under license from LGLS in certain countries, including the USA, mainly for seed treatment. SCC's US subsidiary, Valent USA Corporation, submitted product registration applications in USA and Canada in September this year. The reinforcement of its product lines with ethaboxam will allow SCC to

accelerate its efforts for global development of crop protection products for seed treatment. Under the agreement between the two companies, LGLS will undertake a toll manufacturing of the product's technical grade for supply to SCC.

The acquisition of the ethaboxam business will further solidify SCC's business foundation for crop protection products. Expending unabated efforts such as this undertaking going forward, SCC, as a total solution provider, will continue to contribute to improvement in agriculture productivity as it works to strengthen and expand the crop protection business worldwide.